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THE HUNGARIAN QUESTION



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THE
HUNGARIAN QUESTION.

FROM A HISTORICAL, ECONOMICAL, AND
ETHNOGRAPHICAL POINT OF VIEW.

Translated from the Hungarian by
ILONA AND C. ARTHUR GINEVER.

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TRANSLATORS' PREFACE.

This book has been written by a distinguished Hungarian Publicist with the view of making Hungary's attitude on military and economic questions, and generally on the relations between the two States of the dual Monarchy, comprehensible to English readers.

Information concerning Hungary usually comes through Viennese channels and takes a distinctly Austrian colour in its course, the number of English journalists acquainted with the Hungarian language being exceedingly small.


It is hoped that the information here given may enable the English-speaking public to form a juster opinion of a country to which European civilisation owes so vast a debt.

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INTRODUCTION.

After lying dormant for several decades, the Hungarian question, which, in the general opinion of Europe, was taken off the stage for a long time by the "Ausgleich" of 1867, has come to the fore again. The recent crisis, which has only for the moment lost its acute character, was to most politicians a surprise, because they had paid little attention to the great changes which had taken place in the distribution of actual power within the monarchy during the past forty years, which changes urgently demand a corresponding alteration in the laws of the land. We are witnessing a process of transformation which will, probably in a short time, radically alter the whole state of things along the Danube, and it is natural that the decisive struggle should be most obstinate just at the very commencement.

It is the increasing vigour of Hungary as a State which has brought the necessity for considerable changes, and in order to rightly estimate the present crisis it is essential to know the part Hungary has played in the past and the mission cut out for her in the future in the coming transformation of the legal and political situation on the Danube.

I.

THE PAST AND ITS LESSONS.

HUNGARIAN POLICY BEFORE THE BATTLE OF MOHACS.

Hungary's situation on the frontier between the East and the West, where rival interests were ever contending, rendered it certain that only if she were strong could she defend her existence as a State and maintain a proper balance between the conflicting forces. Any weakness not only imperilled the independence of the Hungarian State, but also upset the balance of power in Eastern Europe. Consequently, the stability and independence of Hungary, so long as she was strong enough to play an important part in the East of Europe, found support not merely in her own resources, but also in the public opinion of Europe, whose interests she served.

Hungary, in view of her size and favourable geographical position, was well fitted to play such a part. The number of her inhabitants, however—except during the time of King Matthias—was never adequate to this mission. The aim of Hungarian politics, therefore, was to alter this state of things. Increase of numerical strength within her own borders could not be reckoned upon. That would have required at least a century's peaceful régime, which was not to be looked for by a country so exposed to attack as Hungary.

The only resource left was to increase the power of the Hungarian State by drawing into its sphere the strength of neighbouring peoples, either by way of conquest or by alliance.

Thus it happened that from the very first the chief aim of the Hungarian kings was to unite the neighbouring nations under the leadership of Hungary, and to form along the line of the middle Danube a powerful State which on the one hand should secure Hungary's independence against all aggression, however powerful, and on the other hand should enable the nations under her wing, by yielding them a large measure of autonomy, to develop in a way most suitable to their own individuality, and to find protection against the selfish desire of conquest on the part of their powerful neighbours.

The necessity for this confederation was evident, as well as the fact that the leading part in such a confederation could only be claimed by Hungary, partly because her territory was the largest and the most centrally situated, partly on account of the number and fighting ability of her people, and also because she was the richest. Moreover, the Hungarians' veneration for law, their Eastern patience and political common-sense, gave sufficient guarantee to the allied nations that their national individuality and prosperity would be preserved. This was why, during the whole of the Middle Ages, the spread of the Hungarian power met with practically no resistance towards the South and the East. On the contrary, the Hungarian supremacy was welcomed everywhere, because it established peace and order, and always respected existing rights and customs. To the West, her neighbours often sought the alliance of Hungary, because they found her strong and trustworthy.

During the reign of the Arpád Kings, the independence of the Hungarian State was first menaced from the West. Afterwards, for more than a hundred years, danger threatened from the East and South. Consequently the policy of the Arpád Kings was one of aggression towards the East and South, so that soon the Hungarian State was surrounded in those directions by a ring of provinces, and in the event of any attack the State could reckon on the strength of those provinces.

Croatia, Slavonia, Dalmatia, Rama, the Szerémség, the territory of the Ban of Szörény and Macsó, Wallachia, Bulgaria.

in short the whole of the territory between the Száva and the Lower Danube, acknowledged the supremacy of the Hungarian crown.

Simultaneously with the appearance of the Turks in Europe, Hungary became more closely linked with the Western nations through community of rulers, and with the exception of the period of King Matthias, Hungary has ever since kept up an alliance with one Western State or another. With the Hungarian crown King Louis the Great united that of Poland also. Sigismund and Albert, the Bohemian and German crowns, Ladislas V. and later Wladislaw II. and Louis II. the Bohemian, and the Habsburgs the crown of the Austrian hereditary provinces, and from time to time that of the German Empire. The necessity for allies in the West is explained by the circumstance that the Turks were constantly pressing forward; the Southern and Eastern feudal provinces of Hungary were lost one by one, and Hungary did not feel strong enough to oppose, without any support, the victorious advance of the Crescent.

Those Western alliances, however, did not interfere with the independence and perfect autonomy of Hungary, and the common rulers were always thoroughly Hungarian kings up to the time of the Battle of Mohács, thus demonstrating that in this Eastern federation, constituting one of the great powers, the leading part belonged naturally and necessarily to the realm of St. Stephen.

THE FAILURE OF HUNGARIAN POLICY THROUGH THE ASCENT OF THE HABSBURGS.

While Hungary remained a politically and racially* united entity, she formed the nucleus of an Eastern and Christian power. This made her existence indispensable to the rest of Europe as a factor in the balance of power.

* The majority (at least four-fifths) of the inhabitants of Hungary were Hungarian until the time of the Turkish conquest.

But when, after the battle of Mohács, Hungary was torn into two parts, and when both parts were almost destroyed in the civil war which followed that battle, and which raged for more than twelve years*, the part of an Eastern great power was transferred to the Habsburgs, whose dynastical possessions were constantly increasing, so that they felt strong enough to claim the supremacy over the Danube Valley. The half of Hungary which acknowledged the Habsburgs, not only lost its position as a great power, but, by reason of its weakness, was also unable to claim the leading part in the new political formation. At that time Hungary's independent existence had ceased to serve European international interests, in fact, it opposed them, for it hindered the formation of a great Christian power in the East of Europe. Such a power as could successfully oppose Turkish aggression could then only be formed by the consolidation of the Habsburg dominions.

Of three possible courses, Hungary chose the most unfortunate when, after the battle of Mohács, she split into two parts. There were only two sensible ways for the country to take. Either the whole nation should have stood up as one man and refused to accept a Habsburg ruler, and then have fought the Crescent, relying only upon its own strength, in which case Hungary would have received as much support from Western Europe as her Habsburg Kings gave her.† Or else, seeing the imminence of the Turkish danger, the Hungarians should have unanimously accepted the rule of the Habsburg dynasty. Had they done so, the leading part in the great confederation which was formed beneath the sceptre of the Habsburgs to oppose the Turk, would have belonged to Hungary by virtue of her size, her dense population, her political and racial unity, and her

* The cause of the diminution in the strength of Hungary was not the battle of Mohács (1526), but the civil war.

† The delivery of Hungary from the Turkish yoke was not an achievement of the Habsburgs, but of all Europe.

excellent military organisation, and also in view of the circumstance that in the coming struggle for existence Hungary would have borne the brunt of the fighting. The independence of Hungary would not then have been endangered, any more than it had been in the days of Sigismund or Albert, who, like the Habsburgs, wore the crowns of the German Empire and the Bohemian Kingdom as well as that of Hungary.

Hungary, by dividing into two parts, and by voluntarily abandoning her eminent position as a great power on the Danube—whether alone or in alliance with others—lost, at the same time, her independence. She did not realise that her independence could only be expected to endure so long as she served the interests of the rest of Europe.

European interests demanded that along the Danube there should be a well organised power in order to maintain the European balance and to defend Western civilisation from Eastern aggression.

But in consequence of her partition, Hungary became unable to play this part, and more than that, the half of Hungary which had recognised the supremacy of the Habsburgs, tried to retain its separate statehood and fought for it tenaciously against the united Habsburg Empire, and thus conflicted with the paramount interests of Europe. Hungary thus lost her claim to independence in the eyes of Europe, and destroyed for centuries her own existence as a State.

There came a time, however, when, from a Hungarian point of view, the necessity for a separate Transylvania became urgent, but this was only when the cruel civil wars, resulting from the twofold election of kings, had undermined the strength of Hungary to such a degree that she could no longer perform a leading part, and in consequence of her unimportant character, merely seemed a province to be annexed, or a military outpost in the eyes of the Habsburgs.

CONFLICT BETWEEN THE IMPERIAL POLICY OF THE HABSBURGS AND THE HUNGARIAN ASPIRATIONS TO INDEPENDENCE.

After the Turks had been defeated and driven out of the country, at the beginning of the 18th century, the whole of Hungary came under the rule of the Habsburgs, but in a pitifully damaged state.* Its strength had diminished to an incredible degree. No wonder, therefore, that the Viennese Court, in accordance with traditional Western politics, which aimed at fusion and the destruction of autonomy, deemed it possible by the complete annihilation of the decreasing Hungarian element, to destroy Hungary's independence. This was the aim of the warfare begun by Cardinal Kolonics and of the enormous foreign settlements which were effected. The national reaction led to the war for freedom on the part of Prince Rákóczy, a war which united in one camp all Hungarians, who now saw themselves threatened with destruction, and during which the nation once more gave evidence of its vitality and extraordinary stubbornness. The brilliant victories which cleared the country of the Imperial troops, were followed at once by the Parliament at Onod (1707). Then first the country breathed freely after an oppression of two centuries and long subjection to foreign rule. It is easy to understand that at the Parliament at Onod the complete independence of Hungary, or that separation from the Habsburgs which seemed to promise independence, came to the front as the one paramount aim, and that the Hungarians lost sight entirely of the fact that Hungary, as an independent State, could only endure if she were strong enough to fulfil by herself the rôle on an Eastern great power. But this was out of the question at a time when two centuries' terrible wars had decimated her people, and especially the Hungarians proper.

* In 1720 the number of inhabitants was $2\frac{1}{2}$ millions, and of these only 1,160,000 were Hungarians.

Hungary took a false step when she declared her independence of the Habsburgs, a step to which she was driven by the memory of her unspeakable sufferings under the Habsburg rule and by heated passions. This wrong step was soon followed by a change of fortune in the battlefield. The Imperial troops won several victories both in the West and against the Hungarian Kurucz troops. The Hungarians had to taste the bitter experience of finding that although the Western powers had willingly made use of Hungarian aspirations after independence in their own opposition to the excessive growth of the Habsburg power, yet, when the struggle was over, and a treaty of peace concluded, the separate existence of Hungary, which now stood opposed to general European interests, met with no consideration or support.

If Hungarian statesmen had risen above the passions of the moment and formed a true estimate of Hungary's position, they would certainly have made use of the brilliant Hungarian victories in order to conclude an equitable peace with the Habsburgs. By so doing they would have shown that the Hungarian power was invincible as a bulwark of the nation's liberty, but, at the same time, would prove a strong foundation on which the Habsburgs might base their dominion in the East. The Habsburgs' mistrust of the Hungarians would have ceased at once. The reason for that mistrust had been very largely the long series of risings during the 16th and 17th centuries, which had led the Viennese Court to believe that the Hungarians fought chiefly against the rule of the Habsburgs, and that as soon as they gained enough strength they would shake off the hated, foreign yoke. The Parliament of Onod could have demonstrated the fact that Habsburg rule was not inconsistent with the independence of Hungary, and that although many wars had been carried on to gain that independence, they were not essentially against the Habsburgs, who were decidedly entitled to the leading part in Eastern politics, as the most powerful dynasty in Eastern Europe by reason of their possessions and connections.

If at that decisive moment, when the whole country was in the hands of the Hungarians, and when the French and their allies had driven the Habsburgs into a tight corner, Hungary had come to terms with the dynasty, she could have secured perfect autonomy in civil and military affairs, and the management of the country would have drifted entirely into the hands of the Hungarian portion of the population. The favourable moment, however, was allowed to pass. In spite of the fact that the French King, Louis XIV., failed to give the help he had promised, the Hungarians maintained the conflict for some years, but ultimately they were defeated and compelled to agree to the unfavourable terms of the peace of Szatmár (1711).

The peace of Szatmár preserved to the nation some fragments of its former liberty, but the mistrustful Viennese Court retained the administrative and military power for itself. A determined effort was then made to deprive Hungary of her Hungarian character, although only peaceful means were employed to this end.

Such an inundation of foreigners poured over the country during the time of Joseph II. that the Hungarian element formed only a quarter of the whole population. The enormous diminution in strength of the Hungarians prompted Joseph II. to proclaim a united, absolute monarchy, which had long been the secret desire of the Habsburgs, and to unfurl the banner on which unity of language and race was written. The Habsburg dominions were, of course, to be placed under German hegemony. At that time the number of inhabitants in the German territories of the Habsburgs, in the Austrian hereditary provinces, and in Hungary, was fifty millions. Of these, thirty millions were Germans, and 2,300,000 were Hungarians. Taking only the Austrian provinces and Hungary, the total number of inhabitants was from twenty-one to twenty-two millions. Of these, hardly 2,300,000 were Hungarians, so that their number was hardly more than the tenth part of the total. This makes it clear that there could be no possibility of independence, still less of any hegemony, for Hungary.

In the hereditary Austrian provinces and in Hungary there were seven million Germans, about thirty-one per cent of the whole. This meant a considerable relative majority over the Hungarians, and as moreover the Germans were superior both in wealth and culture, it seemed likely, especially as they were supported by the twenty million Germans of Germany, that uniformity of language would mean the triumph of their tongue.

This is why the fusion of the Habsburg dominions to form a united Habsburg Empire, constituting an East-European great power, would have given that Empire a predominantly German character. It is undeniable that the efforts of the Habsburgs to form a strong confederation of the Danubian territories under their rule had some justification, for the events of the past and the circumstances of the present clearly demonstrated the need of such a power. But, unfortunately, the methods of the Habsburgs were too inconsiderate and despotic. Their scheme was a paper one. It did not reckon with past history, with ethnical, psychological, and economical peculiarities, or the possibility of free development of the various nations, but tried to press into one mould the inhabitants of the Habsburg dominions. Those who conceived this plan forgot that the unity of the Western countries had not been brought about in this artificial way, but had developed gradually and naturally, the nation finding its interest in supporting and obeying a strong central power. But in the case of Hungary the Viennese policy meant the initiation of a process which was at once to unite nations entirely different in history, race, religion, language, and geographical position.

The weakness of the scheme lay in its ignoring the traditions of five centuries. Instead of trying to form a confederation, it aimed at creating an Empire, uniform in government, language and race, and aimed at creating it just there on the Middle Danube, where any uniform government, and any fusion of races, were opposed by invincible geographical, mental, and economical obstacles.

If we cast a glance at the map of the Habsburg Empire, it becomes clear that the solid foundation of a uniform empire is entirely absent, namely, geographical unity. And its history reveals to us that among the countries which composed it there could be a close community of interest, but never any racial community or institutional unity. The economical condition of the various countries also displayed sharp contrasts; in point of culture the differences were no less marked.

If this was the case with the whole of the Habsburg Empire, the contrast was still more striking between Hungary and the hereditary Austrian provinces.

Yet the Viennese Court endeavoured to establish on this area a uniform "national" empire, singling out the German element as an adhesive material, although that element, with its thirty-one per cent., formed but a weak relative majority over each of the other races. Yet the Court party tried to force upon the different nationalities the acceptance of German hegemony. The Germans themselves, guided by a true instinct, never made this Germanising policy really their own; on the contrary, in Hungary the Germans opposed it so strongly that they even shed their blood in their resistance to it.

This curious phenomenon becomes at once comprehensible on looking a little deeper into the circumstances. The ethnographical map of the Middle Danube shows that the German portion of the population of the Habsburg Empire dwelt, for the most part, in a compact group within a comparatively small area on the Western frontier, and therefore far from the centre of the Habsburg realm. The remainder of the Germans, about one-third of the total number, were scattered throughout the empire, forming such weak minorities as were not capable of self-defence, much less of conquest. Such being the situation, it was an idle dream to imagine that the German element could ever gain the supremacy throughout the entire realm of the Habsburgs.

There was one further reason why the German element could not hope to play the difficult part intended for it. In political aptitude and fervent national feeling the German race was far behind the races it had to weld together—the Hungarians, the Bohemians and the Poles. Even its relative majority was not due to greater fertility, or to any ability to incorporate other races with itself, but to constant immigration from the German Empire.

This oddly mixed German population entirely lacked the uniting power of a common history and of racial institutions, and it never tried to rise to the level of a real national existence during the time of the Habsburgs. In view of these facts the attempt to use the Germans as a means to the absorption of nations which had existed for centuries in independence, appears the most insane political scheme to be met with in the pages of history.

It was an equally great fault in the Viennese policy that, although it claimed for the Habsburgs the rôle of an Eastern power, it did not intend to make Hungary the political centre, though Hungary was directly, not to say exclusively, interested in Eastern politics, but Austria, which could not lend any force to the efforts of the Habsburgs, even in the West, where it might be expected to have played an important part on account of its situation.

No wonder then that the battle array which championed the absurd cause of a united Austria was made up only of men of low intellectual and moral attainments. If we review the list of those who, during the last two centuries, have sworn by that cause, and who have not shrunk from marching through blood and flames on its behalf, we see a pitiful troop of men devoid both of talent and character. Let us see how history has demonstrated the absurdity of that plan, which, merely on the ground of the weak relative majority of the German elements, treated the empire of the Habsburgs as a "tabula rasa."

JOSEPH II. (1780-1790).

The Austrian war of succession at the beginning of Maria Theresa's reign, was a great object lesson as to the basis on which the Habsburgs should seek to establish their power, because the policy of Charles III., which aimed at augmenting the empire in the extensive way, failed completely. The most valuable lesson of that war was that a ruler can only find his real support in the internal strength of his own State and the attachment of his people.

The Seven Years' War had made Prussia one of the great powers, and as a result of this the influence and power of the Habsburgs in Germany decreased considerably. At the end of the eighties, Queen Maria Theresa annexed Galicia and Bukovina to the Austrian hereditary provinces, although she had gained them through the rights of Hungary. By this annexation the empire of the Habsburgs was considerably increased.

It was amid these circumstances that Joseph II. ascended the throne. His mind was full of plans of great changes. He saw that in the war against the Prussians it was not the superior weapons and discipline of the Prussian army, nor even the genius of its general, which alone won the victory, but it was the well regulated modern State that triumphed over the loosely-knit mediæval State, which, though richer in the raw material of strength than its antagonist, suffered from disunion and disorganisation. Even Maria Theresa herself said in her memoirs that it was a wonder the Austrian monarchy could exist with such organisation, and she considered the re-organisation of the monarchy and the annihilation of the ancient constitution necessary. It is not surprising, therefore, that

Joseph II. dreamed of a great and united empire essentially German in character, with an absolute monarch at its head. Desiring to secure once for all the supremacy of the German element, he discussed with the Bavarian Elector the proposition that the Elector should hand over Bavaria in exchange for Belgium.

Had this plan succeeded, the hegemony of the Habsburgs would have been established in the German Empire, and German supremacy would also have gained a strong ethnical basis in the monarchy. With the characteristic optimism of ardent souls, Joseph II. imagined that his aim was as good as attained, and acted as though it were. Formerly he had kept to constitutional methods, at least externally. But now, one imperial manifesto aiming at the destruction of Hungary's independence and constitution followed another. In 1784 he caused the Sacred Crown to be removed from Hungary. The German language was ordered to be the national language of Hungary, German already having been used in the civil and military administration of the monarchy. He referred to France, England and Russia as instances showing how useful it was, and how powerfully it promoted the feelings of brotherhood, to use but one language. The Emperor issued another order to the effect that after 1785 even the counties were to use German as their official language, and that in three years' time the language of the law courts and of all legal documents was to be German. German was to be taught in every secondary and high school, and the order was backed by the threat that no one should obtain any post, either under Government or in the counties or the Church, unless he spoke German. He ordered the names of the whole population to be enrolled for the purpose of common taxation, and in 1785 he abolished the whole county system itself. Joseph II. may rightly be called the strongest and most determined representative of imperial policy on German lines; he had the clearest conception of his aim, and made the greatest efforts to accomplish it.

FAILURE OF THE IMPERIAL POLICY AIMING AT GERMAN HEGEMONY.

The Germanising efforts of Joseph II. did not bring about the result desired. On the contrary, re-action broke out with such irresistible force that the monarch, when on his death-bed, was obliged to cancel all his orders, and to restore, seemingly at least, the former state of things.

Thereupon, the open championing of a united and German Empire temporarily ceased. Its appearance had really been precocious. But work towards that end continued to be carried on, secretly now, and the effort to reduce the Hungarian constitution to the level of a mere formality was unabated, for in the eyes of the Viennese centralising party the independence and the constitution of Hungary were the chief hindrance to the uniformity of the empire.

These efforts became still more vigorous when in 1804 the Emperor Francis, entirely driven out from Germany, and reduced to the rulership of Austria and Hungary, took the title of Emperor of Austria, and when in 1806 he finally renounced that of Emperor of Germany. Although from that time the Germans of the empire could give the Habsburgs no support whatever in the Germanisation of their dominions, the Viennese policy still kept in the same groove. It is true, there was one Austrian statesman in Vienna, Frederick Genz, who elaborated a scheme for the re-organisation of the diminished empire of the Habsburgs, and in this scheme the leading part in that new empire was assigned to Hungary. The scheme was not adopted, however, and the Viennese politicians continued to pursue the insane policy of subjugating and incorporating Hungary.

But simultaneously with these attempts at oppression, it happened that the strength of the Hungarian nation rose by leaps and bounds. In sixty years the number of Hungarian inhabitants became double of what it had been in the time of

Joseph II., and the proportion rose from 29 per cent. to 46 per cent. But the remarkable evidence of the nation's vitality failed to convince the adherents of the Viennese centralising party that the idea of a linguistically uniform Austrian Empire was an impossible one. Instead, it prompted them, in 1848, to try to crush by war those Hungarian efforts and aspirations which appeared to them to endanger the unity of the Habsburg Empire and its position as a great power.

It is well known that this trial of strength led to an overwhelming victory on the part of the Hungarians. The splendid army of the first military power in Europe had to fly shamefully from Hungary, whose territory became once again the property of the Hungarians.

At that moment, the second great opportunity had come to the victorious Hungarians to reconcile the ideal of their own existence as an independent State with the ideal of an East-European great power, in such a way that in a confederation ruled over by the Habsburgs, Hungary should appropriate the leading part, securing for herself perfect independence as well as the position of a first-class power.

It is easy to understand, however, that in the rapture of victory the nation lost sight once again of the sound policy which had enabled Hungary to retain her power in the past; and, instead of this, it was again the idea of an entirely separate and independent Hungary which swayed the souls of all men at the Parliament of Debreczen.*

In 1848, that time of superhuman efforts and untold trials, the sympathy of the world was with the Hungarians, but all this could not save the country from the intervention of the

* After the failure of the war for freedom, Louis Kossuth himself recognised the fact that Hungary could not stand all by herself among the grinding millstones of so many conflicting interests. He also thought of a confederacy, but he recommended confederation with the nations of the Lower Danube instead of with Austria.

Russians, just because Hungary stood all alone after the fall of the recognised Eastern pillar of the European balance of power. When Austria fell, there was no one to take her place, and Hungary thus came into conflict with the general interests of Europe. Therefore, the Hungarian cause had to fail, just as it failed in the days of Rákóczy, because the Hungarian nation thought only of itself and not of that mission which was marked out for it by its geographical situation.

When Hungary was defeated, there followed some fruitless efforts to create an Austrian Empire on absolutist lines. Then came some attempts at federation. The events at Solferino and Königgrätz made it evident that if the rule of the Habsburgs was to be maintained, it must be based upon dualism. Dualism meant at least a partial victory for the ideal of Hungarian statehood as against that of a united Austria, and it gave a chance to the Hungarian nation to regain the power which was lost at Mohács.

THE COMPROMISE OF 1867.

When the Ausgleich or Compromise of 1867 was arranged, two ideals conflicted with one another: that of an Austrian Empire, which was daily becoming more impossible of realisation, and that of an independent Hungarian State, which was steadily making headway. The conflict between these two ideals was not concluded in 1867, and even after that date relations between Austria and Hungary could not but continue to be strained. This was inevitable since there is no harmony between the Hungarian and the Austrian Compromise laws as regards either their fundamental principles or their details, but, on the contrary, there are striking discords between them.

The Hungarian Compromise law was sanctioned on June 12th, 1867. This law was based on the Pragmatic Sanction, and it regulated, in accordance with the altered situation, the

fulfilment of the duty of the common defence of the Habsburg dominions. Such defence was part of the contract concluded between the ruler and the nation.

Articles 1, 2, and 3 of the Pragmatic Sanction of 1723 extended the Habsburgs' right of succession to the three lines related on the mother's side, and declared that the countries beneath the sceptre of the Habsburgs should remain together, forming one undivided whole. On the other hand, Hungary's constitution, its administrative and legislative independence, were to be maintained. Article X. of the law of 1790-91 expressed this still more clearly. It stated that "The Hungarian kingdom and the districts linked with it, Croatia, Slavonia, and Dalmatia, form a free and independent country and are not subject to any other country." It was in accordance with this principle that the laws of 1848 established the independent Hungarian State upon a modern basis.

All these laws, duly sanctioned by the Habsburg rulers, who took an oath that they would faithfully execute them, speak merely of the community of the ruler himself and of the duty of mutual defence on the part of Hungary and the other countries ruled by the Habsburgs, but they establish no common organ nor any link between the parts of the monarchy. On the contrary, the laws emphasise most strongly the complete independence and autonomy of the Hungarian State. In reality, however, contrary to the spirit of these laws, the independent character of Hungary was not maintained in foreign and military affairs, but was entirely suppressed. ✓

Article XII. of the Compromise law of 1867 lays it down most emphatically that from the Pragmatic Sanction the only duty which devolved upon Hungary was that of the defence of the common safety by "united strength," and nothing else (§ I.-V.). In theory, Section 26 says that the Hungarian nation is willing to accept, as a means to the fulfilment of the duty of common defence, the common management of certain affairs, such as foreign and military matters, and to establish for that

purpose certain common organs, a common ministry, and delegations. The law, however, emphasises the fact (§ 23) that all this does not follow from the Pragmatic Sanction, but is merely the result of a consideration of the most practical steps to be taken, and therefore the Hungarian legislature can put an end to these common organs at any time it may be deemed advisable to do so, or whenever the Hungarian nation can see its way to fulfil the duty of common defence by some other means. Should the Hungarians abolish these common organs, they would not be violating the provisions of the Pragmatic Sanction. In consequence of these paragraphs the management of foreign and military affairs is partly in common, as also are the financial arrangements connected therewith.

The Hungarian Compromise law attached two conditions to the obligation of common defence in accordance with common principles and by means of partially common organs. If either of those two conditions were broken, the common organs might be abolished at once.

These two conditions were: the maintenance of Hungary's constitution (§ 24), and the establishment of a constitutional régime in Austria (§ 25).

Section 52 states that there are other matters of great importance beside foreign affairs and certain military matters, the common management of which does not follow from the Pragmatic Sanction, but which can be dealt with more advantageously to both parties, Hungary and Austria, when discussed in common. Such are: National debts, credit, the monetary system, customs duties, commercial contracts, and indirect taxes. These matters, on which both States agree from time to time, are settled in a manner decided upon together, but not, however, by means of common organs, but by means of the separate organs of both States. Should they not come to an agreement, however, then the two States may manage their own economical affairs separately (§ 56-61).

We see, therefore, that the Hungarian law did not make the affairs themselves common, nor did it establish common organs; it merely established some amount of common management of certain affairs, from considerations of practicability. Therefore, the Hungarian law regulated only an international relation between independent States, and not the internal relations of the parts of one united State, and ever took care that Hungary's sovereign character and statehood should not suffer in the least.

Hungary consented to the common management of certain affairs, and to the establishment of some necessary common organs (ministries, delegations, a common army), but it was upon the condition that Austria should also pass laws similar to the Hungarian Compromise law (§ 69), and that in common matters "perfect parity" should be observed, that is, the territories of the sacred Hungarian crown and His Majesty's other dominions, were to be considered as two entirely distinct States with equal rights (§ 28).

The Austrian Compromise law, which was passed on December 21st, 1867, six months after the Hungarian law, and sanctioned by the same ruler, should have complied with these two conditions. Austria, however, did not comply with them, and, therefore, she alone is responsible if the Compromise of 1867 did not rest upon a firm legal foundation, and has become the source of grave crises.

The Austrian law contains not one word to the effect that it deals with the ways in which the duties of common defence entailed by the Pragmatic Sanction should be fulfilled.

Nor does it mention what is entailed by the Pragmatic Sanction and what is not. It refers in no way to the fact that Hungary and Austria entered into the contract as two entirely distinct States, and that the fundamental principle of the whole agreement was perfect parity. Neither does it mention the

two conditions of the common management of matters of common interest, namely, the constitutional government of Austria and the maintenance of the constitutional independence of Hungary.

Even in the title of the law there is something which clashes with the Hungarian law. The latter speaks of common interests and the management thereof in "the lands of the Hungarian crown and in the other countries of His Majesty," while the Austrian law speaks of the common affairs and their management in "all the countries of the Austrian monarchy."

In short, the Austrian law gives no indication of the fact that Austria and Hungary made this agreement concerning the ways and means of common defence as two entirely distinct and independent States, and that they did it with common consent and understanding. X

The fundamental idea underlying the whole of the Austrian law is that of a united empire and an Emperor ruling over it. The affairs of internal government only appear in the light of an exception to this prevailing idea.

After emphasising the ideas of a united empire, and an Emperor, the Austrian law merely mentions that there are certain common affairs, which it enumerates, together with the methods of conducting them, and then declares that there are other matters also which, although not really managed in common, will be decided upon in a manner to be arranged from time to time. These affairs are the economical matters referred to in the Hungarian law. But the Austrian law does not even mention that in case there should be no agreement, the two States might freely and independently manage their own affairs, and just because of this omission from the Austrian law, Austria claims permanency for the economical arrangements then entered into.

With regard to the function of certain institutions and to minor details there are also many contrasts between the two laws; for example, the Hungarian law treats the delegations

merely as a committee to discuss and report, while according to the Austrian law they form a body endowed with the power of legislation in matters of common concern. The Hungarian law secures direct influence for the Hungarian Premier in Foreign Affairs, while the Austrian law does not. According to the Hungarian law foreign and military affairs are not entirely common, but only in certain details; while the Austrian law considers both as entirely common.

A careful study of the Austrian law shows, therefore, that the condition upon which the existence of common organisation depends, namely, that Austria should adhere to the principles expressed in the Hungarian law, has not been fulfilled because the Austrian law, although it largely accepts the institutions designed for common defence, disregards the principles themselves which form the soil from which those institutions have sprung. It is based on an entirely different principle, that namely of a united empire.

An impartial consideration of these facts leads to the conclusion that the germ of to-day's political troubles existed as early as 1867. All these troubles spring from the circumstance that at the time of passing the Compromise law the agreement with Austria was differently understood and concluded with different intentions by the two contracting parties.

The first logical consequence of this is that the Compromise law has never become completely operative. ✓

Francis Deák's work was the establishment of principles and scarcely at all of institutions. After the fundamental principles were agreed upon the representatives of Austria and Hungary should have dealt with the further question, what institutions could be established upon those foundations. With regard to one group of state affairs, the economical, that was done.

But as we have seen, Austria has never complied with the basal principles of the Compromise, and therefore it is but natural that she has been and still is with all her might opposed to the thorough carrying into effect of the Compromise.

The Compromise can only become truly effective if as a result of the present trial of strength Hungary can destroy the hegemony of the Austrian-German element along the Danube, because the treatment of the so-called common affairs, not as common, but as exclusively Austrian affairs, is purely a matter of strength.

II.

PRESENT-DAY FACTORS OF POWER AND EFFORTS TO ACQUIRE
POWER, NEAR THE MIDDLE DANUBE.

As we have seen, the Compromise of 1867 was designed to found the relation between Hungary and Austria upon the principles of dualism and parity. But the truth is, that it was the Austrian law which became more effective, and therefore the aspirations towards a united empire have been maintained together with the hegemony of the Austrian-Germans. This result has been largely due to the greater number of the Austrian-Germans, their wealth and culture, but above all, to the traditions of the dynasty and its steadily pursued policy of forming a great empire. ✓

During the last few decades, however, the German element in Austria has remained stationary, and consequently it does not possess to-day that numerical, intellectual and material superiority which is needful for its supremacy.

The Austrian-Germans enjoy even now the great advantages which attach to their dominant position, but in return they neither desire nor are able to give anything.

It is no wonder therefore that on the part of the progressive races in the Austro-Hungarian monarchy, the struggle has begun, and is being carried on with increasing vehemence, to destroy the predominance of the German element in Austria, a predominance maintained entirely by violence. The decisive struggle began with the recent crisis, which has only been postponed and not ended. It is true that the Hungarians

are fighting solely for the principle of parity between the two countries, but in its final result the conflict must involve the termination of the Austro-German hegemony. The danger threatening their material interests in this shifting of power, urges the Austrian court circles as well as the leading business men to the greatest efforts.

These are the people who try to mislead other nations and who actually mislead the monarch himself, spreading the belief that the efforts of Hungary to deliver herself, will lead to separation and the dismembering of the Habsburg dominions. They see clearly that the principle of parity, heartily adhered to and embodied in institutions, must mean, by reason of the present distribution of strength, the end of the privileged situation of the Germans in Austria, and that in future the leading part will be played by Hungary. Their subtle aim, therefore, is to keep the monarch from identifying himself with Hungarian endeavours, which are perfectly natural and which would establish the power of the Habsburgs upon a strong and lasting foundation, and to lead him to oppose such efforts, in the hope that the Hungarians, baulked in their reasonable desires for equality, should drift into the dangerous and impracticable policy of utter separation, and thus alienate the sympathies of all Europe.

Powerful German interests, which make it desirable that the valley of the Middle Danube should remain under German hegemony, prompt the Pan-Germans to use all ways and means, open and secret alike, to hinder and make impossible the independence of the Hungarian State, and the Hungarian supremacy which would result from that independence.

We must therefore glance at the ethnical changes which have taken place in Hungary and Austria, also at the relation of the Habsburg dynasty to the Hungarian Kingdom, and finally at the contrast which exists between Hungarian interests and Pan-Germanic aspirations.

ETHNICAL SITUATION IN HUNGARY AND AUSTRIA DURING THE PAST HUNDRED YEARS AND AT THE PRESENT TIME.

In the earlier parts of this book it was pointed out, that Habsburg and Hungarian aspirations stood in opposition to each other, because both parties had entirely ignored those historical traditions which could have formed the nucleus of a natural and successful policy. Neither party saw that the aspirations of both could only be realised if they ceased to clash with one another, and became thoroughly harmonised, and the ultimate end of both were recognised as identical.

The Habsburgs forgot that in the Danube valley there had never been a State entirely one in government and race; there had only been alliance and mutual defence, and the country which had always taken the lead in such alliances was Hungary, the country best qualified to do so.

On the other hand, the Hungarians also, under the influence of the defensive wars which had lasted for centuries, lost sight of the great truth, that the future of the Hungarian people could only be assured if they aspired to something more than merely achieving a position of independence in the Danube valley, and succeeded in organizing a strong confederacy there.

Blindness to these truths, and the consequent deviation from the right political path, were largely due to the circumstance that when the Danube valley was freed from the Turkish yoke, the Hungarians were exceedingly weak* and seemed for a long time unable to play their former prominent part. It is true there were some men—Eugene de Savoy, Frederick Genz, Metternich, Bismarck—keen-sighted enough to notice that the

* In 1720 the Hungarians scarcely numbered more than one million. Vide: "Population of Hungary at the time of the Pragmatic Sanction." (Official statistical publication).

fragile stem was of the same stock as the powerful oak against which the storms of the Turkish invasion had raged so long in vain, but these experts formed a small minority compared with those who gave the preference to the more recently established and apparently promising German growth. This awoke the aspiration that there should be one large and racially united empire, German in character, along the Danube, which should base the power of the Habsburgs upon German supremacy. In conflict with this aspiration there naturally began to grow in the hearts of the Hungarians the wish to loosen the ties between their country and the other dominions of the monarch, as that seemed the only way to preserve Hungary's independence in the face of the efforts of the Habsburg dynasty, which leaned for support on its powerful western territories.

Hence the majority of the Hungarians desired the community of the ruler to be the only bond between Austria and Hungary as constituting the loosest possible tie.

The power of the Habsburgs was not really great enough for their aims, for it had been based on unnatural foundations, and was therefore incapable of any vast efforts; moreover, blow after blow fell upon it. The Habsburgs lost Belgium, then the German Imperial crown; then their Italian possessions, and ultimately they were entirely driven out of Germany.

Simultaneously with these events, German supremacy was weakening more and more, both in the Austrian provinces and in Hungary. The brilliant victories of the Hungarian war for freedom, and the Compromise of 1867, shattered the hopes of a united and German Habsburg monarchy, and hastened the process of decay of the German hegemony.

The great importance of the Compromise of 1867 is due to the great changes introduced into the political organisation of the Habsburg dominions. It enabled the two halves of the monarchy to separate at least so far as their home-affairs were concerned and to pursue the course most favourable to the development of their resources.

The Compromise itself was nothing else than the first great victory of Hungary's increasing natural strength.

But the contrasts between Hungary and Austria only grew marked during the decades following the Compromise, when it became obvious that the Habsburgs must abandon their former policy and adopt a new one, in correspondence with the great ethnical changes which had taken place during the past century, and especially towards its close. On the other hand Hungarian policy also had to change and follow the direction marked out for it by the new conditions.

The present ethnical situation, and the course of development during the nineteenth century, are shown by the following figures, which give the population of Hungary under the heading of the different races.

POPULATION IN MILLIONS.

	Hungarians.	Wallachians.	Germans.	Slavs.	Croatians & Servians.
1787	2.36	6.64	...
1850	5	2.3	1.73	1.80	2.30
1880	6.48	2.42	1.966	1.87	1.40
1890	7.47	2.60	2.129	1.92	1.56
1900	8.74	2.79	2.135	2.02	1.68

IN PERCENTAGES.

	Hungarians.	Wallachians.	Germans.	Slavs.	Croatians & Servians.
1787	26.2	73.8	...
1850	37.8	17.4	13.1	14.6	17.5
1880	41.2	15.38	12.5	11.9	8.9
1890	42.8	14.9	12.2	10	9
1900	45.4	14.5	11.1	10.5	8.7

The percentage growth of population of the various races during the last twenty years of the nineteenth century is as follows:—

	Hungarians. Wallachians.		Germans.		Slavs.	Croatsians & Servians.	
1880-90	15.2	7.7	8.2	...	2.4	...	10.9
1890-1900	16.9	7.4	0.3	...	5.1	...	7.5 ... 1.3

The Hungarian race and the other races grew in the following proportion:—

	IN MILLIONS.		
	1880-90.	1890-900.	1787-900.
Growth of population of the			
Hungarians... ..	0.99	1.27	6.39
Growth of population of all			
other races	0.74	0.62	3.82

	In Percentages.		
	1880-90	1890-900	1787-1900
Growth of population of the			
Hungarians	15.2	16.9	271.19
Growth of population of all			
other races	8	6.2	57.53

These figures present a most advantageous picture of the growth of the Hungarian race, and at the same time they show that all the other races of St. Stephen's realm are constantly decreasing with respect both to their proportion of the total population and to their percentage growth. Except the Croatsians and the Wallachians, every foreign nationality in Hungary is near the point when its growth ceases and it begins to diminish, as has actually happened among the Servians.*

* Those who speak Hungarian, form 60 per cent. of the total; among the men 70 per cent., among such men as can read and write, the percentage is 79. The number of those who can speak Hungarian increases rapidly year by year.

It is true that the Hungarian element has not reached an absolute majority even to-day (although omitting Croatia* it has done so) but its relative majority is so strong and the disunited condition of the other races is so pronounced that the four strongest races, Wallachian, German, Slav, and Croatian, do not together equal the Hungarians. The most numerous race, the Wallachians, are less than three millions.

This surprising development is partly due to the fertility of the race and partly to its ability to incorporate other races, an ability due to the favourable situation of the Hungarian element.

In the struggle which is continually going on between the different races, the Hungarians have occupied a strong position.

More than nine-tenths of them (over eight millions) dwell in towns and villages with a large Hungarian majority; they are in close communication with one another, and live practically in one great mass upon the richest and most developed part of the country, stretching from the Western to the Eastern frontier.

During the whole of the past thousand years it has been to this point that the migration of the different nationalities has been directed, and their small swarms have easily been incorporated by the strong majority of the Hungarians.

The number of the Hungarians living in that region has therefore grown continually, partly by natural increase, partly by incorporating foreign elements, while that portion of the Hungarian population which has dwelt among people of other nationalities has been enabled by its superior intellectual and economical position to withstand successfully the attacks made upon it, attacks which are continually becoming weaker in consequence of the diminishing numbers of the foreign races.

* Croatia keeps its own language; the official tongue there is the Croatian.

The following table shows how the number of Hungarians has increased recently in the districts where foreign races preponderate:—

PERCENTAGE OF HUNGARIANS.

	1850.	1880.	1890.	1900.
North-West Hungary	—	25.8	27.6	29.3
North-East Hungary	—	43	45	49.1
East Hungary	26.9	30.3	31	32.9
Tisza and Maros District ...	—	15	17.4	20
Croatia	—	3.1	3.2	3.8

There is a strong and increasing tendency for the more Hungarian part of the country, where four-fifths of the population live, to become entirely Hungarian, while in the rest of the country the Hungarian element is gradually becoming stronger. It is likely that before long the Hungarians will form 75 per cent. of the population, and will in this way make the decidedly Hungarian character of the State incontestable.

It is instructive to glance at the development of the three strongest races in Austria.

POPULATION IN MILLIONS.

	1787.	1850.	1880.	1890.	1900.
Germans	5	6.77	8	8.46	9.17
Czechs and Moravians	—	4	5.18	5.47	5.96
Poles	—	2.18	3.24	3.72	4.26

IN PERCENTAGES.

Germans	40	38.5	36.75	36.05	35.78
Czechs and Moravians	—	22.8	23.77	23.32	23.24
Poles	—	12.4	14.86	15.85	16.60

From these figures it becomes evident that whilst in 1850 the Germans exceeded the Czechs and Poles together by half a million, to-day the two latter races outnumber the Germans

by more than a million. The growth of population among the Poles resembles in its striking rapidity that of the Hungarians. The Czechs remain about the same number although with some fluctuations; while the Germans steadily decrease. Austrian statistics do their best to conceal this decline. When the census is taken the classification is not made on the basis of a person's mother tongue, but on that of the language ordinarily used in conversation. The classification, moreover, is only made as regards Austrian subjects. The half a million foreigners, only a fourth of whom come from German territories, are not classified.

The trend of events appears still more remarkable when the rate of growth in numbers of the various races is regarded.

The three races mentioned above show the following increments:—

	1880-90.		1890-900.		1850-1900.	
	Millions	Percentage	Millions	Percentage	Millions	Percentage
Germans	0.45	5.6	0.71	8.4	2.4	35.4
Czechs and Moravians	0.29	5.6	0.48	8.8	1.96	49
Poles	0.48	14.8	0.54	14.5	2.08	95

These figures show that both Czechs and Moravians and the Poles show a rate of increase much greater than that of the Germans. If we take a long term of years, the difference becomes still more striking, for the two Slavish races, in the course of 50 years, show an increase equal to that of the Germans in a century.

If in addition to this it is noted that during twenty years (1880-1900) the growth of population among the non-German races in Austria was twice as great, in absolute numbers, as that of the Germans, whereas in Hungary the growth of population among the Hungarians was three times as great as among the other nationalities, the remarkable decadence of the German element throughout Austria becomes obvious.

More rapid still than the relative decline in population is the intellectual, economical and political decline of the Germans in Austria compared with the progress of the Czechs and Poles.

However the figures are arranged, they point to the same fact, which explains Austria's history during the past century, and indicates the line of her future development, namely, the constant decrease of the German element in Austria and the ceaseless crumbling of the ethnical foundations of German supremacy.

But it is not only the notion of German hegemony which these impartial figures dissipate. It seems that in future the Germans will not even be able to retain a prominent place among the races of Austria. In consequence of their unfavourable situation they will be obliged to take third place behind the Czechs and the Poles. Ethnically the Germans are powerful only in Lower and Upper Austria, Salzburg, Styria, Carinthia and Tyrol-Voralberg, where they number about 6.8 millions. The organisation of the provinces which is based on racial considerations, will soon confine the rule of the decaying German race to the above territory. The majority of the Czechs (62 per cent.) are to be found in the countries of the Bohemian crown (9.5 millions), most of the Poles (55 per cent.) are in Galicia (7.3 millions). In both territories we find a progressive race, with a long and distinguished history, which struggles tenaciously to establish a national régime and to assert its own individuality. The population of the Polish territory has increased during the past 30 years by 34 per cent.; that of the German territory 31 per cent., and of the Czechs 23 per cent. And if we consider the population of the unnaturally developed Vienna, we find that the Germans, with their 18 per cent. take the last place here also.

Finally we will quote the figures which show the development of the Hungarian and German elements in the Austro-

Hungarian monarchy as well as the development of the total population of the Hungarian kingdom and the Austrian empire.

POPULATION IN MILLIONS.

	1787.	1850.	1880.	1890.	1900.
Hungarians	2.36	5	6.48	7.47	8.75
Austrians (German)	5	6.77	8.00	8.46	9.17

Their percentage proportion to the total population of the monarchy is as follows:—

	1787.	1850.	1880.	1890.	1900.
Hungarians	11	16	17.4	18.3	19.5
Austrians (Germans)	23.2	22.3	21.1	20.5	20.2

Of these the two strongest races in the Habsburg dominions, the Germans are continually diminishing in relative strength, while the Hungarians are rapidly increasing. The growth of the Germans in spite of so much in their favour, has been only 83.5 per cent. in the course of 120 years, while the growth of the Hungarians, in spite of so many hindrances, has been 271 per cent.

But having pointed out the undeniable fact of the decline of the German element we must also state the cause of this condition of affairs in order to place the correctness of the figures beyond doubt.

The decay of the Germans is a necessary result, partly of the very small natural growth of the Austro-German population, and partly—we may say chiefly—of its unfortunate situation. More than half of its total (5.4 millions) is to be found in one mass in the Western portion of the monarchy, out of contact with other races, and therefore unable to grow by incorporating men of other nationalities (Lower and Upper Austria, Salzburg, Styria, Carinthia, Tyrol, and Voralberg). Nearly half (3.78 millions) are either situated among races endowed with strong

national feeling, or are scattered about in such small numbers that, far from being able to incorporate others, they are themselves gradually being assimilated by other races.

The fact is, then, that in the struggle for supremacy the constantly decreasing German race, numbering 9.18 millions, stands face to face with a powerful and progressive Hungarian race, numbering 8.75 millions, and there can therefore be no doubt that in the near future the Hungarians will be the more important race, even as to their number, in the Austro-Hungarian monarchy.

The growth of population of the Hungarian kingdom, compared with that of Austria, is shown by the following figures:—

POPULATION IN MILLIONS.

	1787	1850	1880	1890	1900
Population of Hungary ...	9	13.19	15.74	17.36	19.25
Population of Austria	12.5	17.53	22.14	23.9	26.15

PERCENTAGE GROWTH OF POPULATION.

	1787-1850	1850-1880	1880-1900	1787-1900
Hungary	46.3	19.3	22.3	114
Austria	40.2	26.2	17.9	108

These figures show clearly that only during the destructive times of absolutism Hungary made less headway than the more favoured Austria. With that exception, during the whole of last century, and especially in the last two decades, Hungary's development was much greater than that of Austria. Further, it must be mentioned that in Hungary the most important factor in the growth of population, the development of industry, is still a matter for the future, as well as the re-annexation of Dalmatia and Bosnia, whose inhabitants number two millions, and both of which geographically and legally belong to Hungary. All these facts together are enough to show that in the future the leading State on the Middle Danube cannot be Austria, but must be the Hungarian kingdom.

THE HUNGARIAN KINGDOM AND THE HABSBURGS.

After the battle of Mohács the Hungarian nation offered the throne to a Habsburg prince in order to make the defence of the country more sure. The people of Hungary then numbered about 4 millions, so that in respect of population Hungary ranked among the first States in Europe. In material and intellectual respects, also, she stood at a corresponding level. After that date, two centuries elapsed before the armies of Europe liberated Hungary from the Turkish yoke. Those two centuries form the saddest epoch of Hungarian history. The Habsburgs, who had been called into the country in order to help it against the Turks, regarded that duty as the least in importance. Instead of seriously trying to repel the Turks, their main aspiration was to reduce Hungary to the level of their own hereditary provinces. The powerful nation of Louis the Great and Matthias was situated between two enemies, the Turks and the Habsburgs, and thus it waned day by day. No wonder that in 1720, when the census was taken, the population did not exceed $2\frac{1}{2}$ millions. The attack, both secret and open, upon the nation's independence and Hungarian character, did not cease. On the contrary, it became more vigorous as the Habsburgs were driven back upon a smaller and smaller area. The dynasty endeavoured to compensate itself for the diminution in extent of its empire by linking the various constituent countries more closely together.

The Habsburg dynasty had formerly attained to one of the most powerful positions in the world by means of fortunate marriages, and yet its power had reached a state of decay. This fact, and the strange spectacle of the dynasty fighting for very life with its own people, find their explanation in the circumstance that the Habsburgs have always considered the countries beneath their rule as their own personal property. They never endeavoured to bind those countries together by community of interests, but only by sheer force. They could never be induced

to show respect to the traditions, and to the nature and customs of the peoples they governed. They only strove to force upon them their paper schemes of government, and to assert their will in the teeth of every obstacle.

The policy they pursued was the most rigid possible, and it was never designed to forward the interests of the subject races. Instead of placing themselves at the head of their peoples and endeavouring to lead them to prosperity and power, the Habsburgs paid no heed to the interests of the various nationalities. On the contrary, they very often acted against them, moved solely by the desire to increase their own dynastical power.

Fate has often given the Habsburgs dominion over countries during critical periods, or countries with conflicting interests, but no Habsburg was ever endowed with the political genius needed for such a mission. And what was still more fatal, no really eminent statesman could ever gain their confidence. On the contrary, it is a well known fact that nowhere in the world has such a number of political cripples flocked together as in Viennese Court circles during several centuries. The words of genius have ever found deaf ears among the Habsburgs, or if those rulers ever paid heed, it was only when some great catastrophe had shaken the pillars of their power, when the crowd of courtiers had dispersed, and the walls of etiquette had crumbled away. The Habsburgs inherited the realm of Louis the Great and Matthias; they became masters of the Middle Danube and remained in its possession for four centuries, yet instead of endeavouring to complete the structure of a powerful Eastern empire, upon a strong and tried base, the Hungarian kingdom, they relied on their power in the West, and destroyed as far as they could what remained of St. Stephen's work. They tried to make a tabula rasa in the Danube district in order that they might build up their fictitious united empire, to be managed as a family property.

The 19th century, with its enormous intellectual and economical progress, and above all, with its revival of the

spirit of nationality, gave birth to the nations of the West—the German empire, the Italian kingdom, Belgium, and Holland. These territories had but a short time before belonged to the Habsburgs, but that dynasty could not hear the call of the new era; they did not recognise the elemental strength of the process going on before their very eyes, the process of crystallisation into nations, and therefore in those countries new dynasties gained the throne, and identifying themselves with their people, created great political powers, especially in the valleys of the Rhine and Po.

The net result of the Habsburgs' policy of the past four centuries has been the entire loss of their territories in Western Europe, and the critical state of their Eastern dominions. In the course of those four hundred years the Habsburgs have fulfilled no beneficent mission, but have ever stood in the way of all natural and peaceful evolution. With the establishment of the united and vigorous States in the West the political roads leading towards the West were closed to the Habsburgs for ever. The activity of the dynasty was confined to the Danube district that they might create there an Eastern great power in order to preserve the balance of power in Europe. At that time there was no need to divide their strength; they could have devoted it all to one aim. They had no more power in the West; it would have seemed only natural that they should regulate their policy in accordance with the actual strength of the nations in the Danube valley and should identify themselves with the interests of those nations.

Unfortunately, however, this is not what happened, nor is it happening at the present day.

The ancient policy of the Habsburgs has not changed; even now they consider the countries under their rule as a tabula rasa, and placing the organised power of the State in opposition to the natural strength of the nations, they try to maintain the fiction of an empire, one in language and government, fashioned after western models, there where all the racial, linguistic, geographical and historical conditions needed

for such an empire are lacking. They value a fictitious, superficial unity more than economical and political links and the bonds of mutual sympathy. In order to maintain the former they are always ready to sacrifice the latter. The natural consequences of this folly are the constant and devouring civil wars, the recurring political crises, and other similar phenomena, which show the unrest lurking beneath the appearance of unity.

It is more than a hundred years since Joseph II. endeavoured to weld his dominions together. It was a hundred years ago that that conglomeration of States received the name of the Austrian Empire. Since then the Habsburgs have made stupendous efforts, have shed oceans of blood, have tried the most varied systems of government, and yet to-day they are farther than ever from the united empire of their dreams, and in the course of the last ten years it has become the general belief of Europe that on the death of the present ruler the Austro-Hungarian monarchy will be divided into its constituent parts.

What does all this prove? The undeniable fact that the will of the ruler, however absolute, is powerless against the strength of the people in this age of national self-consciousness and general enlightenment. It has become impossible to create an empire at the will of one man, in accordance with some theory. To-day the basis of any state formations can only be a complete harmony between the strength of the peoples concerned and the organisation of the State.

The strength of a people, which determines the course of its development, cannot be estimated without a complete knowledge of its past history and present condition. What does history tell us of the Danube valley? It tells us that for six centuries before the Turkish occupation, a great power existed there, which rose twice, during the reigns of Louis the Great and of Matthias, to be the first power in Europe. The nucleus of that formation, as well as its strongest constituent, was always Hungary, in consequence of her situation, her size and

her unity. The countries around her were bound to her by the closest political and economical interests, but never by any community of language or of government. The greater the strength of the Hungarian State, and the greater her respect for the interests and rights of her allies, the greater also was her attractiveness. And what does the present teach us? Exactly the same. Beside the traditions from the past, the geographical and still more the racial conditions, are absolutely opposed to any community of language or government, as the proportions of the more important races in the monarchy (Austrian-Germans, 20.2 per cent.; Hungarians, 19.3 per cent.: Czechs, 13.1 per cent., and Poles, 9.4 per cent.) make evident.

We have seen that in the course of the past century the number of the Hungarians became four times as large as it had been before, while the number of Germans did not even double, and that whereas in 1850 the Germans in Austria outnumbered the Poles and Czechs by more than half a million, to-day the two latter peoples exceed the Germans by a million. Furthermore, the number of those who can speak German diminishes year by year, not only in Hungary, but also in Austria. +

All the above facts demonstrate that the effort of the Viennese court to bolster up the hegemony of the German element and the predominance of the German language means, not only with respect to Hungary, but also with respect to the Poles and Czechs in Austria, nothing more nor less than a continual struggle against natural development, and the postponement of an inevitable day of settlement, the recurrence of grave crises, and above all the continual undermining of the dynasty's position and authority. The effort also is constantly being made to keep Hungary, that centrally situated, compact country, so thoroughly united politically and by intense national sentiment, in a position of political and economical subordination to Austria, which lies on the very edge of the Habsburg dominions, and which is just as much dismembered X

geographically as she is with regard to language, economy and government. But this effort is nothing else than a wilful attempt to prevent the attainment of an equilibrium based upon a division of political power in accordance with the actual distribution of strength. Both efforts have received all the support which the Viennese court could give them, yet the result has been to lead the monarchy not towards consolidation but towards disintegration.

With regard to foreign policy the dominant position of the German element, that is to say of Austria, has made impossible the prominent part which was won for the monarchy by a Hungarian statesman, Count Gyula Andr ssy. As a consequence of the fact that the joint monarchy is represented in foreign countries by common officials, the idea of a Hungarian State has disappeared, and with it the interests of that State have become obscured, and from this it follows that the foreign policy of the monarchy has become colourless, undecided and vacillating, which is natural, enough, since it is only the Hungarian State that can give individuality to the monarchy in its international relations, and with it, a decided influence on foreign politics.

In the army linguistic unity is maintained, German being the language of the common army, but if we consider that the number of those who actually speak German is constantly diminishing, and that the total population is gradually disintegrating into small, national fractions, we can well understand that beneath the thin surface of the so-called unity of language there reigns a perfect confusion of tongues. One consequence of German being the language of the army is that few Hungarians are able to become officers, and while this circumstance deprives the army of its most valuable and trustworthy element, on the other hand it estranges the strongest nation of the monarchy from the common army.

The utterly inconsiderate attitude adopted towards the intellectual and material interests of the Hungarian State,

is naturally making the demand for an entirely separate army more and more emphatic.

But the utter helplessness of the Viennese court and its incapability of choosing the right course, becomes most evident in the sphere of political economy. It is a well known fact that in recent times economical interests have exercised a very great influence upon the development of States. It was the recognition of this fact which made the maintenance of a common customs system quite a political dogma in the eyes of the Viennese court, for it was hoped that beneath its pressure Austria and Hungary would be welded together still more strongly. But the court party did not try to strengthen the common customs system by putting an end to the economical contrasts between the two countries, as they could have done by raising Hungary to the level of Austria in industrial matters, and by concentrating the whole economical strength of the monarchy upon the commercial conquest of the Balkans and Asia Minor. Instead of this they pursued such a policy as made it utterly impossible for Hungary to achieve any considerable results in the way of industry and so the economical struggle between Austria and Hungary became more and more pronounced, because Austria looked upon Hungary as a purely agricultural country and a market for her wares. Hungary, on the other hand, was compelled to try to develop her manufactures in consequence of the rapid growth of her population and also her striking intellectual progress. In her efforts in this direction, however, Hungary was opposed by the highly developed industries of Austria, whose merciless competition nipped Hungary's industrial prospects in the bud.

Desirous of securing the Hungarian market for herself, Austria, a pre-eminently manufacturing country, insisted upon high import duties on all manufactured goods. These were soon followed by heavy duties on agricultural produce.

As a result, the Austrian industries became a kind of hot-house plant, while on the other hand the Balkan markets were almost entirely lost to the industrial products of the monarchy.

The monarchy is really the most natural market for the agricultural produce of the Balkan States, but when the heavy duties made this importation impossible, those States retaliated with heavy duties on manufactured goods. When Austria had thus lost the Balkans as a market for her manufactures, she was driven to make still more strenuous efforts to retain her Hungarian market, and to crush any attempts at manufacture there.

If any industrial enterprises were started in Hungary, Austrian concerns, with vast capital, and unhindered by any Hungarian import duties, lowered prices until the Hungarian business was either crushed or forced to submit to any terms its powerful Austrian rivals liked to impose, prices then being raised to recoup the losses caused by the struggle.

Austria's insistence upon her own preponderance in the common customs system, and upon Hungary's complete subordination, must have one of two possible results, as anyone with the most elementary knowledge of political economy can readily see, namely, either Hungary's economical ruin or separation from Austria.

The true mission of the Habsburgs, the creation of a strong confederation on the Middle Danube, which should aid progress and guarantee the security of Western Europe, is in harmony with the aspirations of the nations beneath their rule, but the methods they have employed have all along been hopelessly unsuited to the actual situation, and inconsistent with the real distribution of power, so it is not surprising that they have led the Austro-Hungarian monarchy to decay instead of prosperity. The eleventh hour has struck. The Habsburgs must show themselves leaders of their peoples along the line of their natural development, if they wish to maintain their power and fulfil their vocation. This natural development must lead in Austria to the federation of the three historical races, Germans, Czechs and Poles, and in Hungary to the establish-

ment of national unity, and ultimately Hungary will be compelled by her situation and actual predominance to take up the burden of political leadership.

THE HUNGARIAN KINGDOM AND PAN-GERMAN ASPIRATIONS.

It is clear to any impartial observer that the crisis which has lasted about three years, has been created entirely by the traditional short-sightedness of Viennese court politics, and if the signs are not misleading, Viennese political circles even to-day are not endeavouring to arrive at a settlement of the questions involved, but merely to postpone such a settlement. By this course, however, they will paralyse the monarchy for decades and render it unable to discharge any grave duties which may be demanded of it. This state of affairs naturally gives strength to many aspirations which were formerly confined to the world of dreams. This is shown by the scarcely concealed satisfaction with which the neighbouring States regard the increasing gravity of the crisis. They base bold plans on the consequent impotence of the monarchy. It is not superfluous to deal with these aspirations, because they reveal the importance of the present crisis and they indicate the probable consequences of a protraction of the dispute.

The Compromise of 1867 not only changed the legal organisation of the monarchy, but by the action of one of its originators, Count Andrassy, it gave a new direction to the international policy of the reorganised monarchy. This new course lay in the direction of Balkan politics, which opened up great political and economical possibilities to the monarchy, possibilities not yet realised by any other power. The possibilities were made the greater by the geographical situation of the monarchy and the Balkan States.

The only likely rival was Russia, but that country being far behind the Austro-Hungarian monarchy in industrial matters, could not hope to achieve any commercial conquest; while as regards a conquest in the military sense, every aspiration of that kind on the part of Russia was made impracticable by the Triple Alliance. The energy of Italy was absorbed in the realisation of the ideal of national unity. Germany attached no importance whatsoever to the Balkans. Austria, however, could make no use of the great chance which offered itself, of economical and political progress towards the East. Her ideal was not the industrial conquest of the Balkans and Asia Minor, but the old ideal of maintaining and profiting by the economical dependence and non-industrial character of Hungary.

The economical conquest of the Balkans and Asia Minor would only have been possible if both Austria and Hungary had become industrial States, and had created a large and reliable market for the raw materials of the Balkans and Asia Minor, which in turn would have constituted a wide market for their manufactures. The natural consequence of this economical relation would have been a preponderating influence on the part of the monarchy in Balkan affairs.

What happened was exactly the opposite of this. The leading factors of the monarchy did all in their power to keep Hungary as a purely agricultural country and a market for the products of Austrian industry.

The heavy duties on manufactures were followed by similar duties on agricultural produce, which hindered the importation of the products of the Balkans and thus destroyed the possibility of progress towards the East and of increased exports of manufactured goods.

The imbecility of this policy was first noted by the Germans, and then by the Italians. They both saw what rich booty was lying untouched in the Balkans. During the last few years Germany has been seizing this booty, while Italy is advancing political claims as well as economical claims upon the Western portions of the Balkan States.

The Balkan States, finding a weakening market for their products in the monarchy, and also dreading a condition of economical and political dependence, prefer to import goods from far off countries, especially from Germany, rather than from the monarchy. And as the economical ties become looser and looser, the political influence of the monarchy is also growing less and less.

This unhappy policy has very largely succeeded in isolating the monarchy both economically and politically; and Germany uses her economical policy with the good will of an ally to make that success complete. Germany shuts her frontiers to the agricultural products of Austria-Hungary, and in this way she compels the monarchy to maintain the pettiest and most jealous attitude towards importation from the Balkan States, because this is the only way in which Austrian or Hungarian agriculture can secure for itself at least the Austro-Hungarian market.

What is hidden behind the present policy of Germany? It is hardly likely that her sole intention is to secure the Balkan States and Asia Minor as a market exclusively for German goods. The Germans probably pursue their economical policy with an eye to a still greater goal. The Balkans form a fulcrum by means of which the Western parts of Austria could be lifted from the sphere of the Habsburgs into that of the Hohenzollerns.

The apostles of Pan-German aspirations openly declare even now that the exclusion of Austrian products from Hungary would be followed at once by great industrial activity in that country, in which case the Western parts of Austria, the German and Czech portions, which depend upon their exports, would be left absolutely without a market. Under the enormous economical pressure which would result from that situation, those parts of Austria, with their twenty millions of inhabitants, would demand, and if necessary gain by violence, their incorporation with Germany in order to secure a market for their wares in Germany or her colonies. ✓

It is impossible to count on the resistance of the Czechs, because the Czechs set their economical interests before their national sentiment, as they have shown by their attitude during the Hungarian crisis. The formation of Greater Germany, which is urgently demanded, even at the price of great sacrifices, by the twenty million inhabitants of Western Austria and the sixty millions of Germany, can hardly be prevented by France, which finds her interests threatened, or by Italy, because the population of these two countries together only amounts to seventy millions. Only a united, densely populated Hungarian Kingdom could turn the scale against German interests. But the Pan-Germans know very well that the insane Viennese policy has so influenced the minds of the Hungarians that at the critical moment they would see in Austria's joining Germany, not the danger of Pan-German aspirations, but their own providential deliverance from a burden borne for four centuries, and instead of making armed resistance, would breathe their fervent thanks.

In this light we can understand the great change in the attitude of Germany towards Hungary. While Germany, dreading the *revanche*, saw the necessity of the Triple Alliance, she displayed ostentatious friendliness towards Hungary as to an important member of the Alliance; yet she was utterly indifferent, or even glad, when the Viennese Court pursued its insane, hostile policy against Hungary, the real backbone of the monarchy. If Germany had clearly stated that she would not conclude any commercial contract with Austria-Hungary until the sanction of that contract by the Hungarian Parliament had been obtained, the representatives of the dark policy of Vienna would have been scattered at once and the vitality of the monarchy would have been restored.

But neither of the two allies, Germany or Italy, now thinks that its interests demand the existence of a strong Austro-Hungarian monarchy, ready for action and treading the path of peace. On the contrary, it favours Germany's plan of lying in wait for her prey that the Viennese Court, in its wisdom,

should try hard to destroy the only sure support of the dynasty, Hungary, or at least to hamper her in every way.

Also it is easy to perceive the meaning of the exceedingly friendly commercial relations between Germany and the Balkan States, and why it is that Germany is building railways in Asia Minor instead of Hungary; why the far-seeing Emperor William keeps on friendly terms with the Sultan, and why Germany did not take part in the naval demonstration against Turkey. We can understand what gives the needful courage to the little Balkan States to defy the "powerful" monarchy.

The economical and political ring drawn by the enemy is gradually closing in upon the monarchy, and the Viennese way of meeting this deadly danger is to try to benumb for ten more years the economical power of Hungary by maintaining the common customs system, which naturally leads to the continuation of the economical struggle.

Quite recently Austria perpetrated a fresh blunder. She has embarked on a struggle with Hungary to prevent her from asserting her independence and her equality with Austria. The Austrians have forgotten that half a century ago a collision with the Hungarian interests cost the Habsburgs dear, no less than their entire expulsion from Germany, and the loss of all their Italian dominions. They have forgotten, and they forget even to-day, that the true centre of a considerable part of Austria, racial and also economical in consequence of the present policy, lies outside Austria-Hungary, and that a collision with Hungary may easily start again the process of disintegration of the monarchy. The absolutism of the fifties had very much to do with the evolution of German and Italian unity, which operated to the decided disadvantage of the Habsburgs. A new collision with the Hungarian nation would pave the way to the establishment of complete German and Italian unity, together with the dismembering of Austria and the annexation of its fragments.

A decay-laden breeze seems to sweep over Vienna. The Habsburgs, from being a world-power, have become a great

power, then from a great power have faded to the mere shadow of a power, in consequence of their policy of never standing at the head of their people to lead them to prosperity, but always warring against them and making them drink to the dregs the cup of "endless misery and suffering" (vide a recent manifesto of King Francis Joseph).

To the Habsburgs, the situation is peculiarly unfavourable in these critical times. At the head of one of Austria's neighbours stand strong leaders, endowed with the qualities of statesmen like Emperor William and Bülow. Another neighbour, Italy, is ruled by King Victor Emanuel, a hater of Austria and an enthusiast for Italian unity; by his side are the albanist and irredentist ministers for foreign affairs. And at the head of the Habsburg monarchy there stands a ruler who cannot liberate himself from traditions which have become quite obsolete, surrounded by typically Austrian statesmen who are always too late by one thought, and Austrian generals, always too late by one corps.

It is the irony of fate that the Habsburgs, who have sacrificed Hungary, a nation with a distinguished history and strong national feeling, for the idea of a great empire essentially German in its character, now see their power endangered by the German imperial ideal itself, which the highly-gifted Hohenzollerns are endeavouring to realise, with the unintentional yet constant aid of Viennese policy.

III

CHIEF PROBLEMS OF THE CRISIS AND THEIR SOLUTION.

In the previous chapters we have pointed out that the present legal organisation of the monarchy does not correspond with the changed distribution of real power and that with the present system the Habsburgs cannot discharge the task assigned to them by the international interests of Europe.

It is necessary, therefore, to discover a practical policy which can lead, without very great disturbance, to such a transformation in the relations between the Hungarian State and Austria as shall accord with the distribution of strength among the nations ruled by the Habsburgs and shall thus create a real organic link between the countries in place of the existing ties, which are purely mechanical.

For this reason it is needful to review the questions brought to the surface by the crisis: the language question in the common army; the Hungarian army question; economical equality; the independent customs system; electoral reform, and finally the relation between the aims of '48 and '67.

 LANGUAGE PROBLEM IN THE COMMON ARMY.

For years there has raged a conflict around the important question whether in the common army of the monarchy the German language should be employed as the universal language of command, or whether the common army, although maintaining

unity of organisation, should be divided into Hungarian and German portions. Curiously enough, when discussing this question, the daily press as well as the leading politicians generally emphasise the historical and legal aspects of the question, practically neglecting its ethnical side. And yet as the problem is one of language it is important to know what ethnical forces favour the exclusive use of German on the one hand, and the claims of Hungarian on the other; also whether those forces are strengthening or diminishing.

The first condition of perfect readiness in an army is that its action should be quick, accurate and well disciplined. Naturally, this is only possible if the language employed is one with which at least the majority of the troops are familiar, to such an extent that in a battle the men should understand perfectly and at once the slightest and shortest word of command.

It is a well known fact that a foreign language cannot be learnt by large masses by means of ordinary instruction, and also that in the case of great masses living together, sooner or later the language of the majority becomes exclusive, while the language of the minority is gradually suppressed. It is evident that the language of service in an army cannot be any other than the language of the majority, and if in a common army no race has such a majority, there is no power on earth which can make that army united with regard to its language. Every such effort merely means an attack upon the army's efficiency because it pretends the existence of a thing which only exists on paper, and whose absence can be concealed on the occasion of manœuvres and military parades, but is bound to become evident at once during a battle, when it must lead to a catastrophe.

If we consider the strength of the army from this point of view, we find that the German character of the army during the 18th century and at the beginning of the 19th, had a strong ethnical basis. The German element did really preponderate. This element was very strong in the Austrian

provinces and also in Hungary by reason of the very great immigration during the 18th century, so that the Germans became a strong comparative majority in the Habsburg dominions. The Hungarians hardly constituted a fourth of the population of Hungary and the proportion of Hungarians to Germans throughout the Habsburg territory was as one to three. Under these circumstances it was natural that the German language should become the prevailing one both in that part of the army which lay in Hungary, and in the Austrian portion. This was made still easier by the circumstance that obligatory service not being universal, the different races were not proportionally represented in the army; also, the duration of service being three or four times longer than at present it was easy for the soldiers to learn German. The commissioned and non-commissioned officers were nearly all Germans, or at least men who had gradually become German, so that their language was truly the universal language of the army.

But since that time great changes have occurred. Universal compulsory service has been introduced, making the army in its composition the true mirror of the ethnical relations of the country, and as a result the German element has sunk to the position which it really occupies among the races of the monarchy. And that position is certainly not such as to enable the Germans to have sole control over the army, the less so as the German element is steadily decreasing both in Austria and in Hungary, in spite of all its advantages. One hundred years ago the Germans constituted one-third of the total population; to-day, they are but a fourth, and in the army the proportion is still less favourable. In the formation of the Army, the territorial principle being observed, half of the Germans are placed in exclusively German regiments; the other half are so dispersed as to form only an unimportant minority, and consequently cannot exercise any influence upon the races which do not speak German.

The duration of service has been reduced to three years, and it will soon be reduced to two. In two years it is impossi-

ble to teach German to the great masses of people to whom that language is utterly foreign.

Also during the nineteenth century, and especially its last few decades, the Poles, Czechs, and above all the Hungarians, have increased very considerably, so that in the total population of the monarchy the proportion of Hungarians and Germans is as 10 to 12. In the army, side by side with the 24 per cent. of Germans, there are 22 per cent. Hungarians, 17 per cent. Poles and Ruthenians, and 15 per cent. Czechs. These races increase in number just as constantly as the Germans diminish.

These changes have undermined the supremacy of the German language. It will be more and more impossible to retain German as the universal language of service in the common army, where seven-tenths of the soldiers are not German and cannot speak the language. This is why there has been introduced into the common army, in addition to the language of command and service, what is called a regiment language; and lately, still another has been added, the language of instruction, which may be different from both the language of command and the regiment language.

By the language of command is meant those 80 or 100 words which are used to direct the soldiers in their individual or mass drill, with its automatic movements. From a military point of view it is indifferent whether the command is given in a language understood by the soldiers or not, because the mechanical movements concerned can be taught under the present system to soldiers whatever their mother tongue may be. No difficulty would be created if in the great divisions of the army the command were given in different languages, so long as there existed unity of organisation and control. At manœuvres, and especially during war, the importance of the word of command is still less, as instead of words signs are used. So we can see that the discipline and efficiency of the common army are not at all influenced by the circumstance that the word of command is in German, that is to say, a language which the great majority of the soldiers

do not understand; neither would the army be affected in the least if the German word of command were at any time to be replaced by the Hungarian.

The significance of the language of command is more of a symbolical nature; like the flag, it expresses some unity, or the sovereignty of the State. Many, however, in the Austro-Hungarian monarchy, attach great importance to this question, both among those who support the Hungarian claims and those who defend the German tongue.

The efforts to introduce the Hungarian word of command find themselves resisted not only by the desperate clinging of the Germans to their supremacy and also to their material interests, but above all by the ruler and the chief leaders of the army. These shrink from everything that means a change in the existing situation without bringing the removal of anything disadvantageous to the army or any new advantage.

On the part of the Hungarians the question of the language of service receives less attention than it deserves, perhaps because that language could not suddenly be made Hungarian, as many of the officers are non-Hungarian. Yet the truth is that it is the language of service which is really the language of the army, and therefore the language of service cannot, without endangering the army's efficiency, be any other than the mother tongue of the majority, or at least a tongue which is completely understood by the majority. It is in the language of service that all arrangements are made, orders and instructions are given, and documents written. In short, the language of service is that electric current by means of which the whole army can be moved to intelligent, and not merely mechanical action; and it should, therefore, be understood by every member of the army, otherwise no efficacious action can be expected in the heat of battle.

What is the situation in the common army in this respect?

In the army there are 24 per cent. Germans, 22 per cent. Hungarians, 17 per cent. Poles and Ruthenians, 15 per cent. Czechs, 7 per cent. Croatians and Servians, 6 per cent.

Wallachians, 5 per cent. Slavs, and 4 per cent. other nationalities. Those who can speak German are scarcely above 30 per cent. altogether.

√ The regimental language is, according to official definition, the language of inner service and of instruction of the soldiers. The language of the majority, therefore, is accepted as the regiment language, and as second and third regiment languages those of the minor elements are also used. But the language of the majority in the course of service soon drives out the languages of the minority, because those who can speak that tongue when they enter the army, and those who, under the ethnical pressure, learn it during their period of service, are obliged in the interests of unity to use the tongue of the majority in matters of service.

Considering the multitude of nationalities in the monarchy, and the difficulty of learning several languages, the leaders of the army must place officers in command of the various regiments who are themselves of the same nationality as the majority of the privates. The common army, with its subaltern officers, falls into several large racial divisions. The linguistic unity is very considerable within the regiments because in fully three-fourths of them, men of the same race are more than 70 per cent. of the whole regiment. On the other hand, the distribution of the German element is very unfavourable. The majority of the Germans are placed in exclusively German regiments, which hardly constitute one-fifth of the total number of regiments, and the rest are distributed among the other regiments in such a way that, far from being able to make their own language predominate, they have to yield to the pressure of the great majority.

Under such circumstances it is natural that the regiment language should every now and then break through the official barriers set for it, and assert itself as the language of service. The most intricate instructions and orders must be repeated not only in German but also in the language of the regiment, and in cases of great urgency, or of some announcement out of

the ordinary routine, the regiment language alone is employed.

Thus it happens that the diminution in the number of those who speak German adds increasing importance to the regiment language, which is to-day practically the language of service in the case of regiments where anything like unity of language prevails.

This transformation is the cause of the frequent despatches from the War Office, ordering officers always more and more imperatively to learn the regiment language.

These orders themselves are enough to reveal the impossibility of the maintenance of German as the language of the common army. But the utter decline of the German language was shown most clearly by an order last year to the effect that thenceforth the knowledge of German would not be needed for promotion to the rank of a subaltern officer.

How can any language be the language of service in the army of a great power, the sole knowledge of which on the part of an officer would mean that he could not be employed in seven-tenths of the army? What language of service can that be which is not understood by seven-tenths of the army, and which even subaltern officers need not know, and which cannot be taught to such officers during the time allowed for their instruction? How can the language question in a powerful army be solved by a method which allows the army to crumble into eleven fragments, all different from the point of view of language, and which makes any exchange of officers between the various regiments impossible because of the language difficulty? If any such exchange or mixture of the different races should occur in the course of a battle, utter chaos would result.

War would at once reveal the disadvantage of German as the language of service. In addition to the large number of reservist privates who would then rejoin the army, the reserve subalterns and officers who during their years of active service had learned a fair amount of German, but had forgotten most of it on returning to civil life, would rejoin the army with a

considerably diminished knowledge of German, so that in time of war the majority of officers and subalterns would probably be men who either did not speak German at all or spoke it very little. Yet in time of war the importance of officers and subalterns is naturally very much increased, and it is an idea fitted for a comic opera that an army should employ as the language of service not one which is well understood by the chief organ of the army, its officers, or which can at least be easily taught to them, but a language which can only be taught to the minority, and to many of them so little that they can only understand the shortest and simplest instructions.

The weak point in the supremacy of the German language, therefore, is to be sought not in its being the language of command, but that of service. Correspondingly, the Hungarian language could much easier find an entrance through the opening offered it as the language of service than as the language of command.

It is doubtless true that every kind of unity, linguistic among others, must increase the efficiency of the Austro-Hungarian army. If this unity could be attained by accepting German, then of course Hungarian would have to resign its claim to be introduced as the language of that part of the common army which is stationed in Hungary.

But as we have pointed out, German is daily becoming less suitable to play this important part, and the time has come when it must be seriously considered whether it is advisable that beneath the thin surface of a fictitious unity of language, the army should really fall into eleven divisions, or whether the Hungarian parts of it at least should be consolidated into one united mass.

The supremacy of German could still be maintained for a time in the Austrian regiments, because nearly half the soldiers can speak German. In Hungary, however, where only 11 per cent. are of German race, and only 14 per cent. in all can speak German, the use of German decidedly endangers the army's ability to fulfil its duty. In that part of the common

army only the Hungarian language can serve to establish unity, because 55 per cent. of the soldiers are Hungarians, and 70 per cent. can at least speak Hungarian.

If it is really desired to attain to unity of language in the Hungarian portion of the army, the best way of effecting the change is to compose the regiments in such a way that Hungarian-speaking soldiers should be about 70 per cent. of each regiment. In this case the remaining 30 per cent., to whom, moreover, the language is not entirely unknown, would certainly learn it so far as is necessary for service purposes. All the officers of Hungarian regiments would certainly learn Hungarian in a few years without any ministerial order. In this portion of the military forces the use of German as the language of command, which is a simple outcome of the language of service, would be absurd.

The objections which have been raised to this plan, referring to the difficulties of mobilisation, have no weight, because under the new arrangement only one-third of the soldiers at the most would not be placed in regiments belonging to their own district, whereas at present more than half the men are not stationed within the districts to which they belong. The advantages from a military standpoint of a plan which would establish real linguistic unity, are immeasurable.

Mere legal arguments will not break down the obstinate resistance of the military authorities to the Hungarian demands. The Hungarians have a much more powerful weapon than arguments, and they must use it. They must reveal mercilessly, by publishing the facts contained in official reports, how wonderfully dismembered the army is, how small is the proportion of Germans within it, what an unimportant place the German language holds, its constant decline in importance, and the consequent impossibility of maintaining it as the language of service, and last, the increasing importance of the languages of the other nationalities.

They must publish all this, not only in Hungary itself, but in the foreign press also. Then at length the truth will

reach the right ears, that the compulsory use of German will assuredly lead to catastrophes on the battlefield, but, as the number of Germans diminishes year by year, it will never lead to the common army becoming uniformly German.

THE HUNGARIAN MILITARY QUESTION IN GENERAL AND ITS SOLUTION.

We have seen that since 1867 the conflicting tendencies in the development of the two States have become more and more pronounced, and that consequently the situation as regards political power has also become different. The German element in Austria was deprived of its strongest support by its separation from the rest of the German race, especially when the German Empire was formed under the hegemony of Prussia, and with this event there commenced the slow decay of German supremacy in Austria and the triumphant progress of federalistic aspirations.

While this has been happening in Austria, in the realm of St. Stephen national unity has been growing stronger, and the aim of delivering Hungary from her position of military and economical subordination, has become clearer and more promising.

Concurrently with these changes, partly their cause and partly their effect, great ethnical changes have taken place, the Hungarian, Czech and Polish races making constant progress, and the Germans suffering a constant decline.

In view of these changes the common army in its present state is nothing but an anachronism. The time has come when the Hungarian nation must pursue a suitable military policy in order to adapt the army to the actual legal and political situation of the country. Instead of pretended uniformity but actual disjointedness, there must be a new organisation which

shall really mean "the defence of the common safety by united strength." The governing principles must be (1) Unity of the army in instruction, organisation, and administration; (2) A clear manifestation of the legal relation between the two countries by the outward appearance of the army, in order to show that Austria and Hungary are separate States with equal rights; (3) Uniformity of language in the larger sections of the army, with due respect to legal and ethnical relations, that is to say, in the portion of the army stationed in Hungary, Hungarian to be the language, and in the Austrian parts, German, Czech, or Polish respectively.

The military policy of Hungary must aim at demonstrating (1) The independence of the Hungarian State, (2) Its unity, (3) Its national character, and (4) Its complete equality with Austria. All this would not lessen the discipline and efficiency of the army, but would, on the contrary, increase it as several writers versed in military matters have convincingly pointed out.

The order in which reforms should be effected is as follows:—(A) Reforms to be effected at once: (1) The reorganisation of the army, with full recognition of the Sovereign character of Hungary. The language to be used in the army, the introduction of Hungarian flags and badges, the separate numbering of Hungarian corps, and the uniting of all the Hungarian regiments into one whole, are subjects for legislation by Hungary itself; (2) The settlement of the financial question. The proportion of Hungarian recruits should be the same as the proportion of the expense of the army borne by Hungary, 34.6 per cent., and Hungarian troops should be stationed in Hungary. Cadets in the same proportion should be trained in Hungarian military schools. Military institutions should be established in Hungary also in the same proportion, and the money contributed by Hungary should be spent in Hungary. The common War Office and Ministry of Finance should be moved to Budapest; (3) The composition of Hungarian regiments in such a way that in each of them

Hungarians should constitute the majority, and those who can speak the language should be 70 per cent. of the total, so that the regiment language should be Hungarian, and this tongue should be used in all military matters, and in any communications with civil bodies. (b) Reforms to be effected within a given time, but gradually: (1) All regiments stationed in Hungary to be provided exclusively with officers who are Hungarian citizens, and can speak the language, (2) The language of service to be exclusively Hungarian, (3) The creation of cadet schools in essentially Hungarian parts of the country, or the removal of existing schools to such districts, (4) Half of the staff to be composed of Hungarian officers. (c) When once that part of the common army which is stationed in Hungary is made Hungarian in its whole organisation, with Hungarian officers and subalterns, then must follow as a natural and necessary finishing touch, the introduction of the Hungarian word of command.

The guarantee of the execution of this reorganisation would be a tacit understanding that until the needful reforms are effected, the number of soldiers provided should not be increased on any account. If any increase should be necessary it should take the form of an increase of the honvéd (home) army, which should be raised to the same level as the rest of the army.

ECONOMICAL ADJUSTMENT AND THE SETTLING OF THE MONETARY SIDE OF THE COMMON AFFAIRS UPON A NEW BASIS.

Whenever the Hungarian nation endeavours to assert its rights with respect to common affairs, and especially the common army, the answer generally consists of the familiar objection that the expense of the common affairs presses less heavily on Hungary than on Austria, and that especially Hungary does not provide a money contribution proportionate

to the number of her recruits, so that Austria has to provide part of the cost of the Hungarian troops. The obligations of Hungary not being the same as those of Austria, her rights cannot be the same either.

The fact that Hungary's recruits are 41.4 per cent. of the total, while her monetary quota is only 34.4 per cent. of the expense of the common army seems at first sight to justify this statement. But if we look into the question more closely we shall find that, on the contrary, it is Hungary that contributes much more to the common affairs and especially to the common army than is demanded by justice.

In meeting the common expense one principle alone can be just. It is that Austria and Hungary should bear that expense in the proportions in which they would expend money for the same purposes if they were entirely independent from one another, and were only united by a defensive alliance.

Let us therefore consider the situation from this point of view.

Foreign and military affairs are for the most part both legally and actually common. The Royal Household is also a common affair in reality, although not legally. The expense of it is borne in equal parts by Austria and Hungary, but the Royal Family gives Austria the benefit not only of the civil list, but also largely of its enormous private fortune. This means a loss of several millions for Hungary, because in the case of complete separation the situation would be much more favourable to Hungary as regards the expense of a Royal Household.

The expenses connected with foreign affairs vary to some extent with the size of States, the standing of their rulers, and above all their economical position, but unless two States differed very greatly in these respects, such expenses would not show any very material difference.

In the event of complete separation, the cost of foreign affairs would be greater both for Austria and Hungary than the sum they now contribute to the common fund. It is quite

possible that Hungary's foreign expenses compared with those of Austria would not be then as one to two, but as two to three. Towards foreign expenses Hungary pays 4.3 million crowns, and Austria 8.2 millions, while if entirely separate, Hungary's foreign expenses might amount to 6-7 millions, and those of Austria, 10-11 millions.

In appearance, this would mean a heavier burden for Hungary, but only in appearance, because much more than this excess would be returned to the country through the Foreign Office, the Embassies and Consulates, being in Budapest. These, with their large personnel, would yield millions of crowns to Hungary, while to-day nearly the whole of the 4.3 millions is spent in Austria, benefitting Austrian commerce and industry.

Nor does Hungary benefit much by the Embassies and Consulates established in foreign countries, as nearly all the appointments are given to Austrians. In the event of separation, therefore, Austria would lose while Hungary would gain.

As regards military expenses, the proportion which should rightly be borne by a State is not determined merely by its population, as the Austrians have always insisted, but by its wealth, its geographical situation, its international relations, and the nature of its foreign policy, as the following figures demonstrate:—

I.

	Austria- Hungary. millions.	Germany. millions.	Italy. millions.	Rou- mania. millions.
Population	45	56	32.5	6
Military expenditure in francs	420	880	290	40

II.

	France.	Russia.
Population	38.5 millions.	130 millions.
Military expenditure in frances	940 „	980 „

If Germany, the richest member of the Central European alliance, were to demand that her allies should spend as much per capita as herself upon their armies, they could only comply with that demand at the cost of a ruinous increase of taxation, for then the ordinary military expenditure of Austria-Hungary would leap from 420 to 720 millions, that of Italy from 290 to 520 millions, and that of Roumania from 40 to 96 millions. The case would be similar if France were to make such a demand of her Russian ally. Further, if military expenditure is in no proportion to population, the quota of recruits should not be so proportioned, but should vary with the wealth of a country. This is shown by the fact that while the economically weaker Russia furnishes 2.5 recruits per 1,000 inhabitants, Austria-Hungary 2.9, and Italy 3, wealthy Germany furnishes 5, and France 6. Therefore Hungary in providing recruits for the common army in proportion to her population, makes a greater sacrifice than can rightly be demanded of her, while Austria provides less than is just.

As the only right measure of the proportion of the army to be provided by each country is furnished by the country's wealth, Austria should provide in men and money twice as much as Hungary, and the proportion of her recruits should be the same as her money-quota, namely as 34.4 to 65.6 per cent.

Of the 420 million crowns spent by Austria-Hungary, 320 millions are expended upon the common army, 40 millions upon the Hungarian honvéd army, and 60 millions upon the Austrian Landwehr. Hungary, with a population of 19 millions, spends 150 millions on the army, while Austria with

a population of 26 millions, and with at least twice the wealth, spends 270 millions. Comparing the situation with that of other States, even in the event of her entire separation from Austria, Hungary would not need to spend more than at present, in order to maintain an army worthy of her standing and strong enough to assure her safety, while Austria, considering her unfavourable shape, the difficulty of defending her frontiers, the claims of neighbouring countries upon certain parts of her territory, could not exist unless she considerably increased her army at an expenditure very much greater than at present.

Hungary's position as an independent State appears in a still more favourable light when it is remembered that at present the common War Office, and the military schools, are nearly all in Austria; the fortifications are built there; 70 per cent. of the army is garrisoned there; nearly half the officers in Hungarian regiments are Austrian citizens; the common expenses are never spent in Hungary in anything like proportion to her quota, while every penny of the cost of an independent Hungarian army would be spent in Hungary.

The community of the army, therefore, means a great pecuniary disadvantage to Hungary, in addition to disadvantages of other kinds. Hence the desirability of an independent Hungarian army, though Austria naturally takes an opposite view.

Austrians mention as a grievance the question of import duties. They assert that in this form of taxation the Austrian public pays more than its proper quota (65.6 per cent.). As there is no customs barrier between Austria and Hungary, it is impossible to discover accurately from post office, railway and steamboat returns, in which country the taxed goods have been consumed, and consequently which country really pays the duty.

It is certain, however, that the amount in question is very small, and considering that the duties provide only one third

of the common expenses, it cannot be more than 2 or 3 million korona to-day; and in the past it must have been still less, when the duties covered a still smaller portion of the common expenses.

But the important point is not how great is the burden Hungary has to bear, but how much more favourable financially is the common duty to one State or the other, than the duties would be in the case of a separate customs system. According to the budget of 1904, 44 million korona of the customs revenue came from Hungary, which country also contributed 92 million korona in direct taxes to the ordinary and extraordinary common expenses, making 136 million korona in all.

Under a separate customs system the customs revenue of Hungary would be 100-110 million korona at least, a sum that would nearly cover Hungary's foreign expenditure, and this would mean no additional burden upon the consumer, because he already pays a sum equal to the above, but now he pays it in the inflated price of Austrian goods, a price maintained at a high level by a protectionist tariff.

Austria's share of the customs duties was 80 million korona and in direct taxation she contributed 174 million korona to the common expenses. Her customs revenue in the event of an economical separation would not be more than that of Hungary, because the duty on agricultural products does not yield such a large revenue as a protective duty on manufactures yields to an industrially backward country. Therefore Austria would have to meet her military and foreign expenses by direct taxation, and in addition to this, the income derived from the taxation of agricultural products would mean an additional burden upon the Austrian consumer.

So, if we study the financial side of the common affairs, considering not merely the sums contributed but also the returns and the profits missed, we find that Austria has taxed Hungary most inconsiderately during the past decades.

In view of all the facts it is easy to understand why the Austrians cling with such tenacity to the maintenance of

common organs, objecting even to the least alteration in them. In the past the Viennese policy was to reward the faithful Austrians with dominions taken from the Hungarians. To-day exactly the same thing happens, but the ancient system appears in a new disguise. To-day the Austrian aristocracy consider the highest positions in the common Foreign Office and War Office as their preserves. The subordinate positions are regarded in a similar way by the Austrian middle classes. All these positions provide a secure or even luxurious living for the younger sons of Austrian families. It is natural that any interference with the common affairs causes great alarm to interested parties, because they fear that if the reforms are once commenced, the cessation of unjust pecuniary favours will speedily follow. This makes it probable that the Germans in Austria will exert themselves to the uttermost to induce the other nationalities to join hands with them in opposing Hungarian claims, although all of those nationalities are enemies of everything that is German.

This should convince the Hungarians that if they do not wish to meet with the opposition of the Viennese Court circles at every step of their progress, they must settle at once the material side of the common affairs in accordance with the principles of justice and fairness. If the Austrians no longer enjoy any unlawful advantage from the common affairs, the majority of them will become supporters and not adversaries of the Hungarian aspirations.

The relative economical strength of Austria and Hungary is taken to be indicated by the proportions of the direct and indirect taxes collected from each, Hungary's share or quota being 34.4 per cent. This works unfavourably to Hungary, because her taxes are much heavier than those of Austria. It is impossible therefore that there should be demanded of Hungary a greater contribution in the way of soldiers than 34.4 per cent. of the total army.

Hungary is ready to provide a number of recruits proportionate to the quota and also to maintain that number, but

for Hungary to furnish recruits instead of Austria to a common army in which her national and material interests are trodden under foot, would be insanity and self-annihilation.

Under the new organisation Hungary would still maintain a greater army than she should, having regard to the material resources of other countries, while Austria, even though her percentage of recruits would be raised from 58.6 to 65.4, would maintain a smaller army in proportion to her economical strength than any of the Western States or Hungary. Reckoning the honvéd army, which at present counts among the regular forces, the proportion in Hungary is 2.9 recruits yearly for every 1,000 inhabitants, while in Austria, twice as wealthy as Hungary, the proportion is about the same. And if we do not reckon the recruits as a fraction of the total population but of the men fit for military service, Hungary's proportion is still greater, because her inhabitants between the ages of 20 and 40 are proportionately fewer in Hungary than in the West.

It is unreasonable that Hungary's obligations should be heavier and her rights fewer, with regard to the common army, than those of Austria. Therefore all that robs her of her rights and injures her material interests, must be stopped.

✓ Hungary must proclaim that she is ready to bear half the expense of the common ministries, embassies and general staff, but that she will contribute to the common army both in money and in recruits, only in proportion to her economical strength (34.4 per cent.), and that she will only do that provided Austria also contributes to the army, in money as well as in recruits, in proportion to her wealth (65.6 per cent.); that the money raised for common affairs is spent in the same proportion in Hungary and Austria; and lastly that the principle of parity is rigorously applied throughout the common ministries, in the appointment of foreign representatives and in the staff.

THE INDEPENDENT HUNGARIAN CUSTOMS SYSTEM.

On June 5th, 1850, Imperial Letters Patent were issued which put an end to the line of custom houses between Austria and Hungary, and made them a single territory for customs purposes.

This was effected by Austria in its moment of triumph, and it is not surprising, therefore, that it has always meant and still means the economical subordination of Hungary.

At first the harmful consequences were not considerable, because everywhere in Europe the general tendency was in the direction of free trade. The population of Hungary had few wants in the way of manufactures, and the industry of the country was able to supply all needs. Further the primitive nature of the means of communication prevented an invasion of Austrian goods.

But about the seventies the tendency was towards protection, and since then every step taken with regard to the customs has rendered the situation of Hungary worse. Import duties on manufactures have been continually raised, and therefore Austria, finding within the monarchy itself a ready and well-protected market, has deemed it superfluous to take any part in international competition. The customs policy pursued since 1867 has protected Austrian industry and made it prosperous, as the Hungarian opposition party foresaw in 1878 when the customs alliance was being discussed, but it has ruined the Hungarian smaller industries, and hindered the establishment of factories, while agriculture, as is only natural in a country which does not need to import foodstuffs, has gained no advantage from protection.

While in consequence of the protectionist system, the manufactures of Austria were becoming more and more dependent upon the Hungarian market, the population of Hungary was rapidly increasing, and a great change, both intellectual and economic, was in progress. The demands of

the people in the way of manufactures became greater both as regards quantity and quality, and the improving railway system rendered the remotest corner of Hungary accessible. This state of affairs, under a suitable protective system, could easily have brought about a transformation of the thriving small industries into large manufactures with machinery and factories. What happened, however, was that the common customs system placed Hungary at the mercy of the highly developed Austrian industries, and the country was flooded with Austrian goods.

The leaders of the political party then in power regarded it as the eternal order of things that Hungary should be pre-eminently an agricultural country, and Austria pre-eminently an industrial country.

They did not realise, or perhaps they did not wish to realise, that the interests of an industrial and an agricultural country, if they form a common customs territory, must come into dangerous collision. For duties on manufactures generally raise the price of such goods by the amount of the tax, while the effect of duties on agricultural products in the case of an exporting country, is practically nil. Within a protected area, overproduction of manufactured goods does not necessarily involve a lowering of prices, while where there is an export of agricultural products, as in the case of Austria-Hungary, a duty on foodstuffs cannot possibly raise prices. Therefore Hungary, which raises agricultural produce, pays a tax of several millions in the price of manufactured goods to the citizens of a foreign State, Austria. This glaring fact has been, and perhaps even to-day is denied by the exponents of a past economical system, just as for twenty years they have obstinately denied that Hungary paid millions in taxes to Austria upon spirits, sugar, beer, and mineral oils, simply because the Austrian and Hungarian Treasury did not tax directly the consumer, but the producer. All the while Hungary's exports to Austria were considerably smaller than her imports from that country, and in 1895 and 1899 it be-

came possible at last to put an end to this anomaly, and to-day it is officially acknowledged that a sum of about 14 million korona was paid yearly to Austria in this way. If anyone thinks that Hungary was allowed to benefit by this exposure of an abuse, and to retain the 14 million korona, he certainly does not know the economic relations between Austria and Hungary. On the contrary, when that form of pillage was stopped, Hungary was obliged to raise her quota of the common expenses, so that Austria might gain her unlawful advantage under some other pretence.

Protective duties on manufactures mean an enormous tax upon the consumer which goes chiefly, not to the Treasury, but to the pockets of manufacturers and merchants, and therefore they can only be maintained in any given country if these classes bear a far greater proportion of taxation than those who are engaged in agriculture. If we consider the taxation of the Western States we shall be surprised to find that those districts which are essentially agricultural, hardly pay more in direct and indirect taxes than will cover their administrative and educational expenses. The cost of the army and of foreign affairs is almost exclusively met by the excess of the taxes borne by the industrial portions of the country. In Hungary and Austria it is also the case that those parts of the country where industries are carried on pay much more in direct and indirect taxes than the agricultural districts of the same country. For instance, while in Galicia (agricultural) the indirect taxes are 6 korona per head, in Bohemia (industrial) they are 19 korona; and while the agricultural parts of Transylvania, with their 2.5 million inhabitants, pay only 16.3 million korona in direct taxes, the 730,000 inhabitants of Budapest, which is largely industrial, pay 45 million korona.

In those agricultural countries where industry is still primitive, and cannot supply the needs of the inhabitants, and where, therefore, the duties are not of a protective character, but are merely revenue duties, these constitute the most

important source of income for the State, because the bulk of the military and foreign expenses are met by them.

Hungary is the only agricultural country in the world, which, although her imports of manufactures from Austria are very great, has to resign the income she might derive from import duties for the benefit of Austria, merely because of the common customs system. In this way she incurs a great loss, while the citizens of Austria gain a vast sum through the enhanced prices of their wares, and yet they contribute to the expense of the War and Foreign Offices only in the same proportion as exhausted Hungary.

Theoretically Hungary has to contribute to the common expenses in proportion to her income from direct taxation (34.4 per cent.), but actually her contribution rises to the proportion of her population (42 per cent.). Moreover, if the agricultural country of Galicia or the Alpine districts had to contribute to the common expenses in proportion to their direct taxes, they would soon be on the verge of ruin. No wonder therefore that the protectionist policy carried on under the common customs system together with the disadvantages resulting from the common conduct of certain affairs, has done great injury to Hungary. The damage cannot be hidden by Potemkin villages, nor can the distress which is officially admitted to exist be put down to a restricted franchise. It is an absurd situation that a country should only be considered as on the same footing with another when the extent of its obligations is to be determined, but should at once be reduced to the level of a subordinate country when its right to make the best use of its resources is in question.

The consequences of the common customs system are, the decay of small industries, the ruin of the middle-class proprietors, enormous debts upon landed property, the growth of an intellectual, industrial and economical proletariat, the decrease in the consumption of articles of daily necessity, and the enormous annual emigration.

All these serious symptoms point to the fundamental fault of the common customs system, that it necessarily hinders the industry of Hungary from becoming many sided and more vigorous, while at the same time it yields the best part of the country's produce to Austria, a foreign State.

The fundamental principle of foreign trade is that a State only benefits by importing a certain article which could be produced in the country itself, if by confining itself to the production of some other article exported in exchange, it can make a greater profit than if it were to produce both articles. Agricultural exports and industrial imports therefore are only profitable so long as the exclusive pursuit of agriculture yields more profit to the country than it would gain by occupying itself simultaneously with agriculture and manufacture, that is, if the agricultural produce is so great that after the national wants are supplied the surplus is amply sufficient for the purchase of manufactured goods, in short, if there is over-production in the country instead of a scarcity. This is only possible when the population of the agricultural country is small and its wants are few. As soon as the population increases and agriculture alone cannot provide everyone with remunerative work, and yet in spite of this the country continues to import foreign manufactured goods in exchange for agricultural produce instead of finding in manufacture a new field of labour for its unemployed, economic decay is bound to result, bringing in its train emigration, the unemployed problem, a rise in prices, and a consequent decrease in consumption.

The situation becomes still worse when there is a rapid growth of population, and the demand for manufactured goods increases, because this still further impoverishes the country.

This has been the case exactly in Hungary during the last few decades. The population of the country has increased very considerably, and its needs in the way of manufactured articles have grown correspondingly; but on the other hand,

in industrial production Hungary has fallen farther and farther behind. Internal production has become less and less adequate to supply the country's wants, and accordingly Austrian goods have been imported in greater quantities every year, while the agricultural production of the country yields but a precarious return and certainly cannot provide remunerative occupation for all the inhabitants. The situation in Hungary very much resembles that of a family the father of which earns a fair income, but does not employ his idle, though capable sons in whatever work may be necessary, but pays strangers to do it, so that his financial position becomes worse and worse.

The great economical and intellectual disadvantages of exclusively agricultural production are just being realised, somewhat late in the day. But even now there are, unfortunately, many Hungarian politicians who fight against the truth that the only way out of the present difficulty is an independent customs system. The arguments they bring forward conflict with the most elementary principles of political economy. They say that manufactures can only begin to develop after the necessary capital has been accumulated and skilled labourers have been trained; also that Hungarian industry is developing, because the number of people engaged in manufacture is increasing; that the export of agricultural produce is not disadvantageous, as is shown by the example of America: that Hungary's consumption of first necessities has not decreased, because the consumption of iron (!) and tobacco (!) has slightly increased; and lastly, that under an independent customs system Hungarian agricultural produce could either not be disposed of at all or only at lower prices than at present.

In opposition to these ridiculous statements it is enough to say that the principal conditions of industrial production are: an increasing population, cheap labour, an abundant supply of raw materials, a large and growing demand for manufactured articles, and good and cheap communications. These conditions are all present in Hungary, and therefore as soon

as the competition of the more highly developed West is hindered by protection, the capital will be forthcoming, as well as the skilled labour, because profit will be certain. The Hungarian export of foodstuffs is unwholesome because it is not due to overproduction but to under consumption, a fact established by the following figures, showing the annual consumption of wheat and rye per head of the population:—

	Kilogrammes.		Kilogrammes.
Belgium	304	Austria	190
France	254	Russia	172
Switzerland	215	Spain	149
Germany... ..	197	Hungary... ..	124

This table shows that the more flourishing the manufactures of a country the more the population consumes in the way of agricultural produce, so it is evident that a development of her manufactures would considerably diminish the export of agricultural produce from Hungary. When the whole industrial system of a country is in question, the possibility of a decrease in the price of exported agricultural produce cannot be regarded as the decisive factor. Against this must be set all the great economic, moral, intellectual and social advantages which an independent customs system is sure to bring to Hungary. Even the smallest country grocer does not consider only the question of making his prices as high as possible.

Nor need we regard as a serious objection the possibility of a tariff war with Austria during the period of transition, with which certain politicians threaten Hungary, because it is an undeniable fact that such a conflict and the disadvantages of an economical transition can be much more easily borne by an agricultural country than by an industrial one. As an instance we may quote the Roumanian tariff war in the eighties, the disadvantages of which were not felt by Roumania, but by Transylvania, from whence manufacturers migrated by thousands to Roumania. There is little reason, therefore, to fear Austrian threats.

Everywhere in the West the foundations of industry were laid by a protectionist policy, although competition was not then so terribly keen as it is to-day. For Hungary, too, this policy seems the only safe one.

Her adoption of such a policy, however, finds a powerful obstacle in Austrian interests and in the convictions of the Court that the thousands of millions invested during the past one hundred and fifty years in Austrian industries will be lost if Austria loses her Hungarian market, and also that an independent customs system is inconsistent with the unity of the two States and must lead to a loosening of ties between Hungary and Austria. The first anxiety has no foundation whatever, because the time needed for the development of Hungarian manufactures is amply sufficient for Austria to gain a market in the Balkan States and in Asia Minor. To-day this is possible, but to-morrow it may be too late to do so, when once German industry has gained a footing there.

Neither is the second objection a valid one. If the monarch and his leading advisers regard the common customs system as a fundamental condition of the union between Austria and Hungary, why have they so long pursued a policy which seems gratuitously to emphasise the economic contrasts between the two countries.

✓ The independent customs system is not an end in itself in the eyes of the Hungarians, but it is the only means by which they can rise from their economic subordination, and free themselves from the octopus tentacles of their ally, which threaten to strangle them. By this means they can build up a manufacturing industry and with it a thriving, well-organised State. Hungary will be freed from the burden of exclusively agricultural production, and can in the near future rise to a high economic level. It will then not be in conflict with her interests to enter once more into closer economical relations with Austria, but any such alliance must be based upon the foundation of real reciprocity.

If the monarch had placed himself at the head of the movement towards the establishment of Hungarian manufactures, and had invested only half as much in Hungarian industrial enterprises as in Austrian industries, the question of an independent customs system would not now be so urgent as it is, and the dual monarchy would not consist of a parasitic industrial State and a plundered agricultural one, but would form a powerful industrial and agricultural territory which would hold in its conquering hands the Eastern markets.

Time flies, and it is imperative that the enormous evils of a fatally insane economic policy should speedily be abolished.

Under the double pressure of a Western industrial invasion and the pouring in of agricultural produce from the East, stands the dual monarchy, one part of which is engaged chiefly in industrial production and the other chiefly in agriculture. But even if such conditions allowed of efficient self-defence against the outside world, they would still involve grave disadvantages, inasmuch as they tend to complete political and economical isolation.

The present crisis is only superficially and by mere chance bound up with the language question in the army. Behind that the terrors of a struggle for economical independence lie concealed. The rapidly increasing strength of the Hungarian State is sure to fight the battle to a finish some day, for it is impossible to maintain an economical alliance when one of the allies carries on all the time the most implacable warfare. The signs of this warfare are the hindering of Hungarian industry at any price; the adoption of a railway policy which aims at ruining Hungarian export to foreign countries; the constant interference with Hungarian exports to Austria; opposition to the reform of the monetary system; the exclusion of Hungary from participating in the profit arising from the conversion of the Austrian national debt, which is partly borne by Hungary; the raising of the quota, and the spending of

the greater part of the money devoted to the common affairs in Austria; the demand for high duties on manufactures, and opposition to duties on agricultural produce.

The fiercer the resistance of the Austrians to Hungary's economic emancipation the more will the whole monarchy be torn by the conflict, while the less the resistance the smoother will be the whole process of inevitable transformation, and instead of a conflict of interests, a community of interests will reign in the relations of the dual monarchy.

Whatever may happen at the present juncture, the chief problem of the near future will be that of Hungary's economic independence and the settlement of monetary matters relating to affairs conducted in common.

ELECTORAL REFORM IN AUSTRIA AND HUNGARY.

It happened in 1905 that the Viennese Court party played the card of universal suffrage against the Hungarian demands, and afterwards it had to initiate an electoral reform in Austria.

The Hungarian coalition, the great majority of whose members have always advocated the extension of the suffrage, desired a truce in the Spring of 1906, and therefore they agreed with the monarch that until electoral reform was accomplished, and the Hungarian nation had been consulted, the national demands concerning the army should remain in abeyance.

And when the obstinate and conservative Viennese party suddenly stepped forward both in Hungary and Austria as the champion of the rights of the people, it awoke everywhere doubt and astonishment.

But for those who were well acquainted with Viennese ideas, it was no secret that the Court hoped, with the aid of

universal suffrage, to revive in Austria the decaying German supremacy, and put an end to nationalist struggles, and in Hungary, on the other hand, to stir up class conflicts as the best means of counteracting Hungarian national aspirations.

Austrian policy, however, has always been blighted by its fatal gift of landing itself, in the end, in some different goal from the one intended. Since the Austrians wished, by electoral reform, to win the goodwill of the Slavs, the districts were mapped out in such a way that the predominantly German districts fell from 49 per cent. to 45 per cent., and so the Germans lost their former majority for the benefit of the Slavs, while the Bohemians, the strongest opponents of German hegemony, gained a commanding position by means of the 107 seats allotted to them.

Universal suffrage in Austria has aided the process of disintegration, for it has served to make the nationalist aims of the non-German races more distinct and pronounced.

In Hungary we see just the opposite of this. There universal suffrage will intensify the Hungarian character of the State, as it is very probable that the right to vote will depend upon a man's ability to read and write. In such a case, the present low percentage of Hungarian voters (56 per cent.) will rise to that level of 61 per cent., which more adequately represents the economical and intellectual superiority of the Hungarian element. The other just alteration which will also largely improve the situation of the Hungarians, is a redistribution of seats. The present division of the country is very favourable to the non-Hungarian races, for while the less Hungarian portions of the country, North Hungary and East Hungary, with a population of 6.2 millions, return 180 members, the most Hungarian and most cultured portions, which at the same time are the most developed from an economic point of view, Western Hungary and the districts between the Danube and the Tisza, with a population of 6.3 millions,

send only 135 members to Parliament. In these circumstances it is not surprising that of the 413 constituencies there are 183 in which the non-Hungarian voters constitute the majority. This will be altered by making a new division, in accordance with the number of the population, and its intellectual and economic development. Such a division will mean that in those parts of the country where the majority is non-Hungarian there will be fewer constituencies; in East Hungary 50 instead of 74, and in North Hungary 70 instead of 106. And even in these districts the towns are largely Hungarian, and these will obtain more seats than the small and scattered villages, whose mixed races are much less developed, and in this way the number of constituencies likely to return members with anti-Hungarian tendencies will be very small. By means of a new and just division of the country, the 70 constituencies with a Wallachian majority would be reduced to 28, and the 50 Slav constituencies to 22. Even among these there will only be a few which will return members who aim at the disintegration of the State, because even to-day there are only 24 such members from 183 constituencies.

It is an entirely unjustifiable slander that the Hungarian Parliament is a stiff, upper-class Parliament, that it is an assembly of people belonging to the gentry and the aristocracy, and that a vast majority (80 per cent.) of voters belong to the wealthy (!) classes, as a result of which Parliament has never concerned itself with the people's interests. The truth is, that after 1867 the Hungarian Parliament was very glad to welcome the new democratical elements, and it was not the aristocrats or the wealthy who formed the majority, but the middle classes. Even the few aristocrats who have entered Parliament have been elected by the poorer classes on account of their ability, and it was not their wealth which gained them their seats, as happens in Austria. A Parliament in which men like Wekerle, Lukács, Plósz, Hegedüs, Láng, have risen to become ministers, and among whose titled members several magnates, Apponyi, Bánffy, Battyányi, Zichy, are imbued with thoroughly radical

principles, can hardly be called an aristocratic Parliament. The slander is merely one of many prompted by Viennese spite. Its immediate occasion was the circumstance that at the last election nearly all the aristocrats of most wealth and importance joined the national opposition, so that the army fighting for the legal and economical emancipation of Hungary was considerably increased.

As regards the allegation that 80 per cent. of the electors belong to the wealthy classes, the supporters of Austrian absolutistic aspirations form their estimate in the following remarkable way. They reckon among the wealthy classes the peasant farmer or labourer owning ten acres of land, as well as the small employer who works with one assistant, the cobbler, small jobbing tailor, shop assistant, or omnibus conductor, who pays a tax of ten francs, the messengers in the offices who pay 6 francs tax, and the private or public officials whose pay or pension is 600 francs per annum. Hungary would be a lucky country indeed if she had 800,000 wealthy citizens. Unfortunately, the situation is quite different. In Hungary there are among the voters 3,800 landowners having more than 2,000 acres; 20,000 with from 200 to 2,000 acres; 46,000 with from 100 to 200 acres; 75,000 well-to-do peasant farmers with from 40 to 100 acres; 470,000 small holders with from 4 to 40 acres; 30,500 farm labourers and servants; 20,000 other kinds of labourers; and 190,000 engaged in various trades and occupations.

Of the 1,000,000 voters scarcely 100,000 can be ranked as wealthy. If, in addition to this, it is borne in mind that there are many boroughs where a man paying so small a tax as 68 filler (7d.) may have a vote, while in other places not even a tax of 80 korona (£3 6s. 8d.) entitles a man to a vote, it may very well be said that the suffrage is at present too narrow, is unequal and unjust, but it certainly does not favour the wealthy classes, and it extends to all strata of society. Therefore, however it may be extended, it will affect only the quantity of votes and not their quality.

Austrian politicians are deluded when they hope that universal suffrage will inaugurate a class war in Hungary, because all realise that Hungary must first rise from her position of economical dependence before the material needs of every class of the community can be supplied. It is evident that a Parliament elected on the basis of universal suffrage will be more intransigent in its defence of Hungarian interests and more unyielding in its demand for independence than any former Parliament.

1848 AND 1867.

The elections of January 26th, 1905, brought the downfall of the so-called Liberal (then Government) party, and thus shook the foundation on which the relations between Austria and Hungary were really based, namely, the Austrian version of the *Ausgleich* in 1867. To those who view the situation thoughtfully and impartially, it becomes quite clear that the present legal relations between Hungary and Austria, and the economical dependence of Hungary, can no longer be maintained by peaceful means. Even with violent means, they can only be maintained temporarily, and at the cost of endangering the greatest interests, pre-eminently the interests of the dynasty.

The problem which for four centuries has been the most important Hungary has had to grapple with, the adjustment of her relations with the other Habsburg dominions in accordance with changed conditions, has once more become pressing.

With respect to such adjustments, two divergent opinions are held. Some men advocate a strictly personal union, the two States discharging the duty of mutual defence by means of separate organisations, while others think it advisable that certain affairs should be managed in common, and common organs be instituted in order to form stronger links between the two states. These are the principles of 1848 (the year of the war for freedom), and 1867 (the year of the coronation) respectively.

What was the essence of 1848?

The complete independence of Hungary and its entire separation in every respect from the other Habsburg countries; the refusal to recognise any common institutions; relations with the other countries to be restricted to a purely personal union, and only the duty of mutual defence, flowing from the Pragmatic Sanction, to be recognised as binding upon Hungary.

The explanation of the attractiveness of this policy in the eyes of the Hungarians lies in the fact that the only way of combatting the tenacious and vigorous centralising efforts of the Viennese party, and of defending Hungarian independence against the more populous and wealthy western territories of the Habsburgs, appeared to them to be to loosen as much as possible the bonds between Hungary and Austria, and to restrict them to a merely personal union. In view of the weakness of Hungary and the superior strength of the other countries, this seemed the only policy likely to lead Hungary back to the "Paradise Lost" of political independence. 1

In course of time, however, this idea of a merely personal union became more than simply a means of assuring Hungarian independence. It became an end in itself, to be striven for regardless of changed conditions.

In contrast to this policy the essence of the *Ausgleich*, based on the Austrian laws of 1867, was that Hungary had only regained internal autonomy, but otherwise remained a dependent part of the outwardly united Habsburg Empire, that is to say, of Austria. Common affairs were not to be managed as common but as Austrian affairs. The links of dependence were to be used for the purpose of maintaining the character of a great power demanded by dynastical and international considerations, and outward unity was to receive legal recognition. The governing principle was not the securing of Hungary's independence, but the establishing of closer links between the Habsburg dominions, and this by the subjugation of Hungary. ✓

There have long been, and there still are, two great interests which conflict with one another, namely, the independence of Hungary and the maintenance of a great power demanded by the interests of the dynasty as well as by those of Europe. And as decisive victory has been gained by neither side, it is probable that the struggle will cease only when these apparently conflicting interests are harmonised. The principles of 1867 were nothing but a temporary settlement of the difficulty, in accordance with the situation in which the two countries then stood with regard to one another. After the Compromise, however, the situation continued to change. Austria's preponderance became less and less through the Habsburgs being entirely driven out of Germany, and through the decreasing influence of the German element in Austria itself.

It is evident, therefore, that Hungary, which is making rapid strides in the direction of national unity, must sooner or later raise itself from its position of economical dependence upon Austria, which in consequence of its federative tendencies, can less and less claim hegemony in the monarchy. It is also evident that when this happens, and Hungary's latent strength has become active, equilibrium in the Austro-Hungarian monarchy can only be maintained if Hungary plays that leading part to which her strength will entitle her.

The position to-day is, that Hungarian independence can be secured without breaking off relations with the hereditary dominions of the Habsburgs. Those relations would not be endangered even if the independence of Hungary should be asserted in every department of State activity, if the principle of parity were rigidly adhered to in every relation, for with the present distribution of strength, the result would soon be the final and complete dissolution of Austro-German rule, and the leading part would then pass into the hands of the centrally situated kingdom of Hungary, as "primus inter pares." This would mean that Hungary and the various nationalities of Austria, emancipated from the yoke of German

hegemony, would march forward upon the path of free development and progress, making full and unhampered use of their various resources. This would mean a perfect unity of interests between Hungary and the people of Austria, because on the one hand the Hungarian element would not threaten either racially or economically the German, Bohemian, and Polish nations which form Austria, and on the other hand it would be very advantageous to Hungary to be able to rely upon the strength of other countries. ✓

International as well as dynastical interests would be much better served by a great and powerful alliance of States, though formally looser, yet founded upon natural strength and showing real inner harmony, than by a monarchy like that of to-day which is only united in appearance and is really torn by inner conflicts. +

A purely personal union, that is to say, the community of the monarch as the sole bond connecting the two countries, is no longer the only way to assure the independence of Hungary and the safeguarding of her interests. In the distribution of power such great changes have happened that Hungary can and must make a serious effort to assure her independence, and to conduct her affairs on the principle of perfect parity. The independence of Hungary depends not upon whether she is or is not linked with other countries, but upon the position which she occupies in any such alliance, and upon whether that position is such as to safeguard her interests or not. Alliance or no alliance cannot be made an absolute political dogma, because there is only one article of faith for Hungarians, namely, that Hungary's independence as a State must be secured, and the attainment of that aim can be reached in different ways according to the varying circumstances. To-day, when the maintenance of the laws of 1867 cannot be seriously considered, the Hungarian nation is one in its demand for independence. A serious and vigorous effort must now be made by Hungary to secure its independence and safeguard its interests without breaking with Austria, for it is only if such an effort proves

futile that the policy of a purely personal union will be justifiable. Independence in alliance with another State is preferable to independence manifesting itself in isolation, especially in view of the present situation of Hungary, wedged in as she is between the two great empires, Russia and Germany.

The principles of 1848 and of the Hungarian laws of 1867 must not only be reconciled, but must be thoroughly blended, because only then can they conquer the Austrian Imperialist principles embodied in the Austrian law of 1867. The Hungarian element in the monarchy has reached such a position that the adherents both of looser and of closer ties can stand upon common ground, without abandoning anything of vital importance, the guiding principle being the securing of Hungary's independence and interests in such a way that alliance with Austria would be an alliance between two absolutely equal States.

These aspirations must find sympathy among all those European States which find the existence of a firmly established great power near the Middle Danube necessary. This blending of aspirations directed towards the formation of a great power, and at the same time towards Hungarian independence, must be approved and accepted by the dynasty itself, unless it has some secret aim and desires to regain its former influence in Germany, and unless this is why it still clings to the unnatural German hegemony in Austria and to the German character of the monarchy. And, lastly, the failure of Austro-German hegemony would put an end to pan-Germanic aspirations towards the East, and in this way would save Central Europe from much conflict.

A sincere Compromise between the two States, a Compromise which would respect the independence of both States and would settle any common affairs really on the principle of absolute parity, is sure of success because this new and honourable Compromise is demanded by the interests of the dynasty, of Austria and of Hungary, as well by international interests.

CONCLUSION.

Reviewing the results which have been reached, we find that the Hungarian kingdom is predestined by its history, its constitution, its geographical position and shape, the nation's ethnical, economical and intellectual vigour, and also by the dismembered state of the non-Hungarian races, their inferiority in number, as well as in intellect and economical respects, and their decadent tendency, to very soon become a united, solid state.

Austria, on the other hand, that dismembered semi-circle, the torn half of a hat-brim, is irresistibly driven towards a federal organisation of her separate nationalities. The reason for this lies in Austria's history, the shape of her territory, her many different races, the weak and decreasing majority of the Germans, and their unfavourable distribution, and also in the increasing strength of the Bohemian and Polish races, and their favourable geographical situation.

Hungary has always been racially a united country, and it is only since the eighteenth century that, through the immigration of 3.5 million foreigners, the variety of languages became so great, but the trend of her development since that time shows clearly that this state of things is merely transitory.

Austria, on the contrary, is a conglomeration of countries which in former times were independent States. These countries have never been united by the ties of race or of common institutions. They were only swept together by the storms of

comparatively recent times, to find temporary shelter beneath the rickety roof of Austro-German supremacy. Austria's unity as a State is, therefore, merely transitory, and will certainly be disrupted by the pressure of the non-German races. †

The facts which have been enumerated constitute a powerful bill of indictment against the insane Viennese policy which has all along hindered the natural development of the various races by opposing to it the organised power of the State, thus making impossible the political consolidation of the Danube Valley. †

The facts demonstrate clearly that Austria's line of development is quite different from that of Hungary, although the final goal of both is one and the same. Hungary is tending to national consolidation, while Austria is being transformed into a confederacy. The first change will destroy the hegemony of the German element in the monarchy, and the latter will restrict the aspirations of the German race in Austria itself to that area within which its ethnical preponderance entitles it to a leading part.

As a result of this transformation the primeval and natural mission of Hungary will again become manifest, that, namely, of organising and leading a great-power on the area governed by the Habsburgs, that is, in the Danube Valley. After the battle of Mohács the independence and national character of the Hungarian State died, together with its hegemony, but with the impending change these will re-appear upon the stage of history. The figures and other data in this book show that the struggle of centuries for the independence of Hungary has hitherto been fruitless, because the Hungarian race has not been numerically strong enough to create and maintain, under its own leadership, a State in the Danube Valley strong enough to defend itself and to maintain the balance of power in Europe.

To-day, however, the Hungarians are stronger than any other race in the Danube Valley, and this circumstance indi-

cates with increasing clearness the part which Hungary will be called to play, that of standing at the head of a confederacy of independent nations, beneath the sceptre of the Habsburgs, and of giving, by its own solid character and preponderance, strength and individuality to that confederation in the eyes of the German and Russian Empires. For this proud mission of organising a great-power in the Danube Valley Hungary is fitted, both by her central situation and by her history.

In order that she may accomplish this mission, however, Hungary must adopt a new policy. While Austro-German Imperial aims were in the ascendant, and Hungary seemed weak and defenceless, there was some reason why Hungary should wish for separation and endeavour to secure her existence by surrounding herself with protecting walls. At the present time, however, when German supremacy is being steadily undermined in Austria itself by irresistible forces, and when every vital interest demands that to stem the tide of German and Russian advance there should be a vigorous great-power in the Danube Valley, the Hungarians would be committing a great folly if, instead of maintaining the alliance with Austria and regulating it in accordance with their interests, they should put an end to it, and instead of organising the protecting ring of small nations around them into one powerful whole, should retire within their own walls and leave those small nations to their fate, allowing at the same time the Germans and Russians to come into immediate contact with the Hungarian kingdom.

There are many Hungarians who speak concerning imperial politics and yet do not observe that the alliance with Austria has prepared a bridge across which the Hungarians can make their way into a ready supremacy. Nor do they observe that the only defence of Austrian supremacy consists of a group of broken-down and self-seeking men unable to play a useful part in either the political or military world, or perhaps it would be truer to say that this sad troop of men is defended by the walls of the Austrian supremacy. In view of the present

international situation, the direct and final aim of the Hungarian people cannot be the establishment of an entirely separate Hungary. They must rightly interpret the warning voice of the age and must endeavour to place the monarchy, while still ruled by the Habsburgs, upon natural foundations, and Hungary must then stand at the head of the new confederacy of States. When that is done the sovereign Stateship of Hungary will reveal itself in its full grandeur, and the Hungarian question will, after four centuries of conflict, be solved in such a way as shall promote the interests both of the Hungarian nation and of the Habsburg dynasty, and shall contribute to the well-being of all Europe.

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